



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR END JUNE 30, 2003

SANDY CITY
10000 Centennial Parkway
Sandy, Utah 84070

Comprehensive Annual Financial Report
For the year ended June 30, 2003

Prepared by:

Department of Finance

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INTRODUCTORY SECTION



November 7, 2003

Honorable Mayor and
Members of the City Council
Sandy City

The Comprehensive Annual Financial Report (CAFR) of Sandy City (the City), for the fiscal year ended June 30, 2003 is submitted herewith. Utah State law requires that first class cities "present to the governing body an annual financial report prepared in conformity with Accounting Principles Generally Accepted in the United States (GAAP), as prescribed in the Uniform Accounting Manual for Utah Cities." This report, which fulfills this requirement, presents a comprehensive financial picture covering all funds and financial transactions for the year.

This CAFR has been prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included. Likewise, the "Notes to the Financial Statements" are an integral part of this report and should be read for a more complete understanding of the financial statements and information presented in this report.

Management of the City is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City's internal control structure is designed to provide reasonable rather than absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

As required by Utah state law, an annual audit has been conducted by independent certified public accountants. The Report of Independent Certified Public Accountants, as prepared by Wisan, Smith, Racker & Prescott, LLP, is included within the Financial Section of this report. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2003,

are fairly presented in conformity with GAAP.

The City is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this Single Audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are published under separate cover.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Sandy, about 13 miles south of Salt Lake City, was settled in 1863 as a pioneer farming village. With the discovery of rich ores in Little Cottonwood Canyon and the shipping of the stone for the construction of the Salt Lake Temple, Sandy became a focal shipping point and booming mining town. As a result, Sandy became a city in 1893 and hired a sheriff to keep the miners in line. One by one the mines closed around 1900. Sandy then became a small farming community again and remained that way until about 1970. For the past several years, Sandy has numbered among the fastest growing suburban cities in the United States. Today Sandy is the fourth largest city in Utah with a population approaching 100,000 citizens.

Since 1979, the City has operated under the council-mayor form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. One of the Mayor's administrative powers is the appointment of the Chief Administrative Officer, Cabinet Officers and various other positions such as the City Treasurer, the City Recorder, and the City Engineer. The City Council establishes City policy, approves the budget, and ratifies the appointment of the City Officials. The City Council is authorized to issue bonds, to incur short-term debt, to levy property taxes, and is not dependent on any other unit of local government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection, park construction and maintenance, street construction and maintenance, public improvements, engineering, building inspection, planning and zoning, administrative services, recreation services, storm drain system construction and maintenance, and street light system installation and maintenance. The City also operates water, waste collection, and River Oaks Golf Course

as enterprise funds. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Sandy Redevelopment Agency is reported as a special revenue fund and Alta Canyon Recreation Special Service District is reported as an enterprise fund.

Comprehensive annual budgets are an essential element for the City's financial planning and control. Therefore, budgets are adopted annually (required by Utah state law) by the City Council for all funds except debt service funds used to account for special assessments and the expendable trust funds which are subject to compensating controls. Utah state law also requires: 1) a balanced budget for each individual fund; however, Redevelopment Agencies are allowed to incur debt previous to the triggering of the tax increment revenue thus allowing an unbalanced budget, 2) department expenditures to conform with departmental appropriations, and 3) individual fund appropriations to be overspent only in "emergencies" (natural disasters). Once the budgets are approved, the City Council may revise the budgets from time to time after following the required procedures. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 42 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 80.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. While Sandy City has felt the effects of the nation's economic recession, its growing commercial base and conservative budget policies have allowed the City to remain fiscally strong. For fiscal year 2003, the City was able to modestly increase the fund balance of the general fund by over \$150,000. The recent addition of several well-known retailers has been instrumental in helping Sandy City through these tough economic times. The City will continue to expand its commercial base to help ensure continued growth and improved quality of life for its citizens.

Sandy City anticipates adding over 515,000 square feet of new retail space and approximately 1,500,000 square feet of additional office space to Sandy's diverse business community. Retail additions include the Union Heights project which will provide retail space, restaurants, office space, and movie theaters. Other retail projects will be made up of the 114th Street Marketplace, Tai-Pan, and a possible fifth anchor to the successful South Towne Center while future planned office space will be contributed by phases II and III of Sandy City Centre, phase II of the South Towne Corporate Center, Victory Heights, South Towne Ridge, and Sandy Park Center.

Attracting quality businesses to our community has aided the City in keeping the local unemployment rate

below both the state and national unemployment rates as well as allowing the City to maintain its commercial tax base. Additional information about economic factors can be found on page 31 of the MD&A.

Long-term financial planning. The City Council approved a balanced budget for the upcoming fiscal year. The budget includes \$720,000 in additional ongoing revenue in the General Fund. This increase in revenue will allow the City to fund significant programs such as the creation of a specific cost center to further organize the City's emergency preparedness efforts, comply with a May 2002 United States Supreme Court decision to provide adequate legal defense for indigent defendants, and cover the increasing costs to maintain the strong service levels our residents have come to expect. This year's budget also includes a 3 percent merit increase in pay for employees. In addition, the City has fully funded increases in its core health, dental, life and long term disability insurance programs. The General Fund budget does not include any additional full-time staff positions.

On August 13, 2002, the City Council approved efforts to move forward on the design and construction of a new performing arts facility to be built next to the Sandy City Amphitheater. The new Sandy City Arts facility is expected to initially include an indoor theater with over 500 seats, rehearsal space, scene and costume shops, dressing rooms, and a large lobby. The theater would be available for local community arts groups and will be built with a combination of public and private funds.

Fluoridation of community water supplies in the Salt Lake valley passed in the 2001 general election with a compliance date of October 1, 2003. To comply with this mandate, the City must purchase equipment to treat the City's culinary water supply at treatment facilities as well as each well site. The City expects to implement a monthly fluoridation charge on every water bill except for landscapes and parks to fund this project.

The City will purchase the Third District Court building from the State of Utah in December 2003. Funding for this project will be from \$4,065,000 of a \$7,225,000 sales tax revenue and refunding bond issue. The remainder of the bond issue will be used to defease the 1994B Lease Revenue Bonds and the 1996A Motor Fuel Excise Tax Revenue Bonds.

Cash Management. Cash, temporarily idle during the year, was invested in the Utah State Treasurer's investment pool. Furthermore, all available cash is pooled for investment and money management purposes. Interest income is allocated to all funds based on their percentage in the investment pool. Total interest earnings for fiscal year 2003 decreased 3.6 percent compared with total interest earnings for fiscal year 2002. During fiscal year 2003 the City held deposits which were neither insured nor collateralized. In lieu of collateralizing, the Utah Money Management Act requires the depositing of the City's funds in a "qualified depository". Thus, the City's investments, although uninsured and uncollateralized, have compensating controls. Additional information on the City's cash management activity can be found in note 4 on page 53 of the notes to the financial statements.

Risk Management. Sandy City is exposed to various risks of loss including torts, workers compensation claims, theft of, or damage to or destruction of assets, errors and omissions, and natural disasters. Prevention of these losses is the City's primary goal. The City has implemented effective safety and other loss prevention programs to 1) protect the employees and assets of the City from injury, damage, or loss, 2) minimize loss or injury when they do occur, and 3) appropriately finance or insure the cost of claims, injuries and losses. The City has a general liability policy with a \$1,000,000 self insured retention per occurrence with limits of \$7,000,000 per occurrence. Additional information on the City's risk management activity can be found in note 22 on page 72 of the notes to the financial statements.

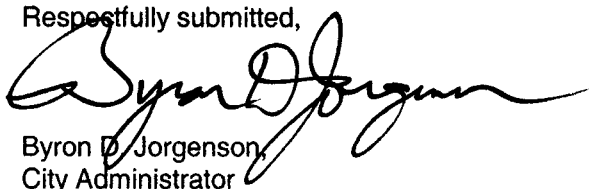
Pension and other post-employment benefits. Sandy City participates in the Utah State Retirement System (USRS). The City contributes to the following divisions of the USRS: public safety employees, fire fighters, and public employees. The City Council authorizes a percentage based upon each employee's base wage to be contributed to retirement on their behalf (currently 17.95 percent). Of this amount, the USRS is funded based on actuarially determined rates. The remainder is contributed to deferred compensation plans. Sandy City does not pay into Social Security. In addition, City employees are eligible to enrolled in the Sandy City Retiree Health Savings (RHS) program. This program generally allows an employee to accumulate assets to pay for medical expenses during retirement on a tax-free basis. Under specific circumstances, employees may roll unused sick leave into their RHS. Additional information on the City's pension and post-retirement benefits can be found in notes 14-16 on pages 67-70 of the notes to the financial statements.

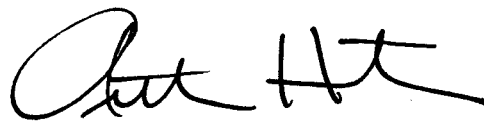
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2002. This was the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both Accounting Principles Generally Accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of Sandy City, preparation of this report would not have been possible.

Respectfully submitted,


Byron D. Jorgenson,
City Administrator


Arthur D. Hunter,
Administrative Services Director

SANDY CITY

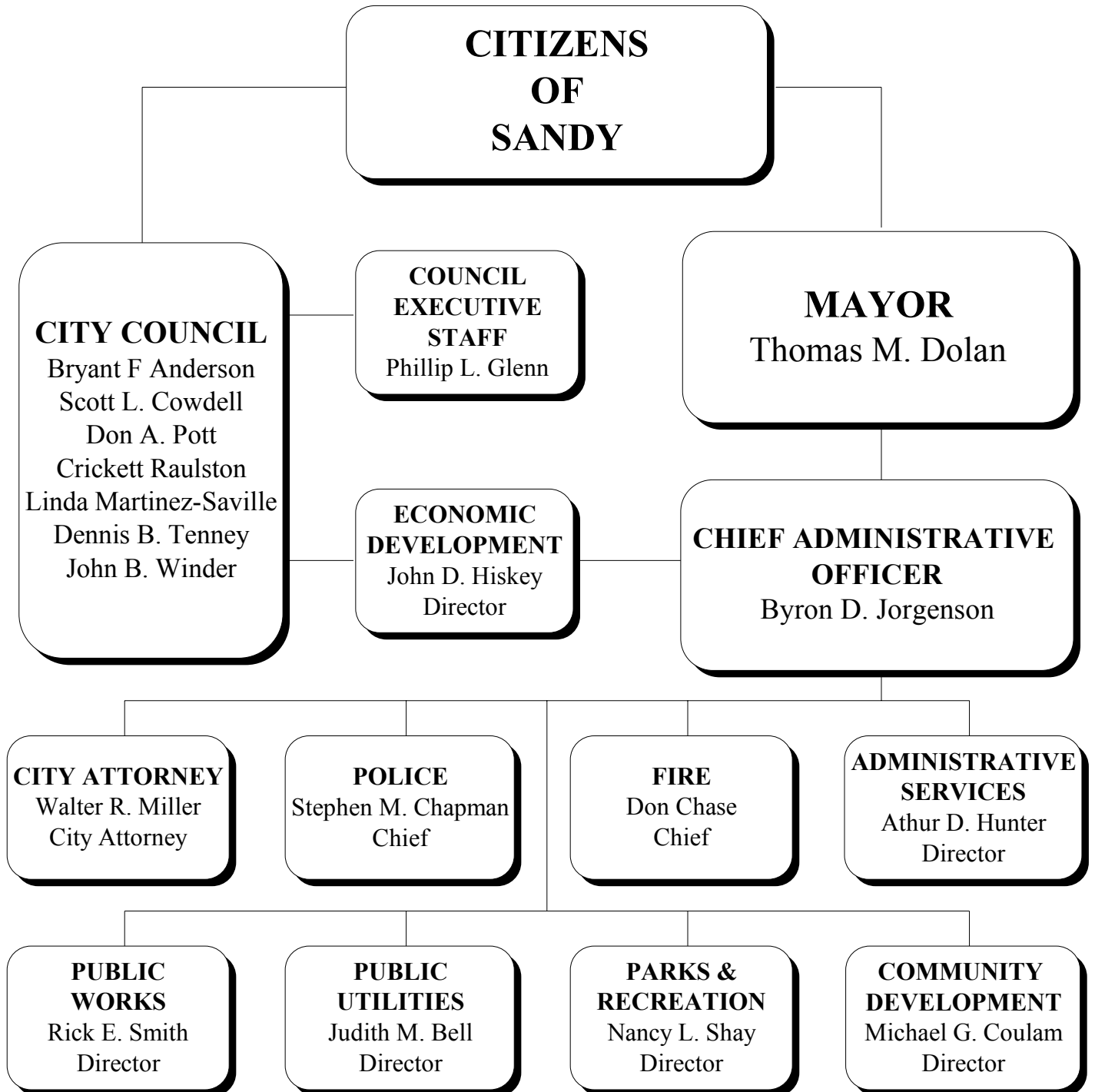
Elected Officials

Mayor Thomas M. Dolan
City Council - At Large Linda Martinez-Saville
City Council - At Large Cricket Raulston
City Council - At Large John B. Winder
City Council - District 1 Scott L. Cowdell
City Council - District 2 Dennis B. Tenney
City Council - District 3 Bryant F. Anderson
City Council - District 4 Don A. Pott

Appointed Officials

Chief Administrative Officer Byron D. Jorgenson
Assistant Chief Administrative Officer James P. Davidson
City Attorney Walter R. Miller
Administrative Services Director Arthur D. Hunter
Chief of Police Stephen M. Chapman
Fire Chief Don Chase
Public Works Director Rick E. Smith
Public Utilities Director Judith M. Bell
Parks and Recreation Director Nancy L. Shay
Community Development Director Michael G. Coulam
Economic Development Director John D. Hiskey

SANDY CITY ORGANIZATIONAL STRUCTURE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sandy City,
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Sandy City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which starts on page 7 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of fiscal year 2003 by \$426,012,892 (net assets). Of this amount, \$52,618,562 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$12,993,616. The primary contributing factor of this increase is capital improvement additions.
- As of the close of fiscal year 2003, the City's governmental funds reported combined ending fund balances of \$30,136,615, a decrease of \$11,455,624 in comparison with fiscal year 2002. Approximately \$15,887,492 is available for spending at the government's discretion (unreserved fund balance).
- At the end of fiscal year 2003, unreserved fund balance of the general fund was \$4,089,891, or 12 percent of total general fund expenditures.
- The City's total debt increased by \$3,040,382 (4.5 percent) during fiscal year 2003. The key factor in this increase was the issuance of \$7,131,000 in special assessment bonds to finance a parking facility, South Towne Ridge Road, and to refund the 1993 Auto Mall bond.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change

occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, storm water, electric utility, economic development, and culture and recreation. The business-type activities of the City include water, waste, River Oaks Golf Course, and Alta Canyon Sports Center.

Although Alta Canyon Sports Center is a legally separate entity from the City (known as the primary government), and as such could be reported in the government-wide financial statements as a component unit, it functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 34-37 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, and the storm water fund, all of which are considered to be major funds. Data from the other eight funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 38-41 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, information services, risk management, payroll management, and equipment management. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course, all of which are considered to be major funds of the City. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 43-45 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46-74 of this report.

Other information: Required supplementary information, including budgetary comparisons for major governmental funds, begins on page 75 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented in the supplementary information section of this report. Combining and individual fund statements and schedules can be found on pages 78-82 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Sandy City, assets exceeded liabilities by \$426,012,892 at the close of fiscal year 2003.

By far the largest portion of the City's net assets (85 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that

the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Assets

June 30, 2003

	Governmental	Business-type	Total Primary
Current and other assets	\$ 56,495,193	\$ 33,396,538	\$ 89,891,731
Capital assets	368,411,035	56,082,306	424,493,341
Total assets	424,906,228	89,478,844	514,385,072
Long-term liabilities outstanding	50,010,970	10,375,000	60,385,970
Other liabilities	24,506,110	3,480,100	27,986,210
Total liabilities	74,517,080	13,855,100	88,372,180
Net assets:			
Invested in capital assets, net of related debt	316,319,735	44,732,306	361,052,041
Restricted	10,852,892	1,489,397	12,342,289
Unrestricted	23,216,521	29,402,041	52,618,562
Total net assets	<u>\$ 350,389,148</u>	<u>\$ 75,623,744</u>	<u>\$ 426,012,892</u>

An additional portion of the City's net assets (3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$52,618,562) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2003, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Changes in Net Assets

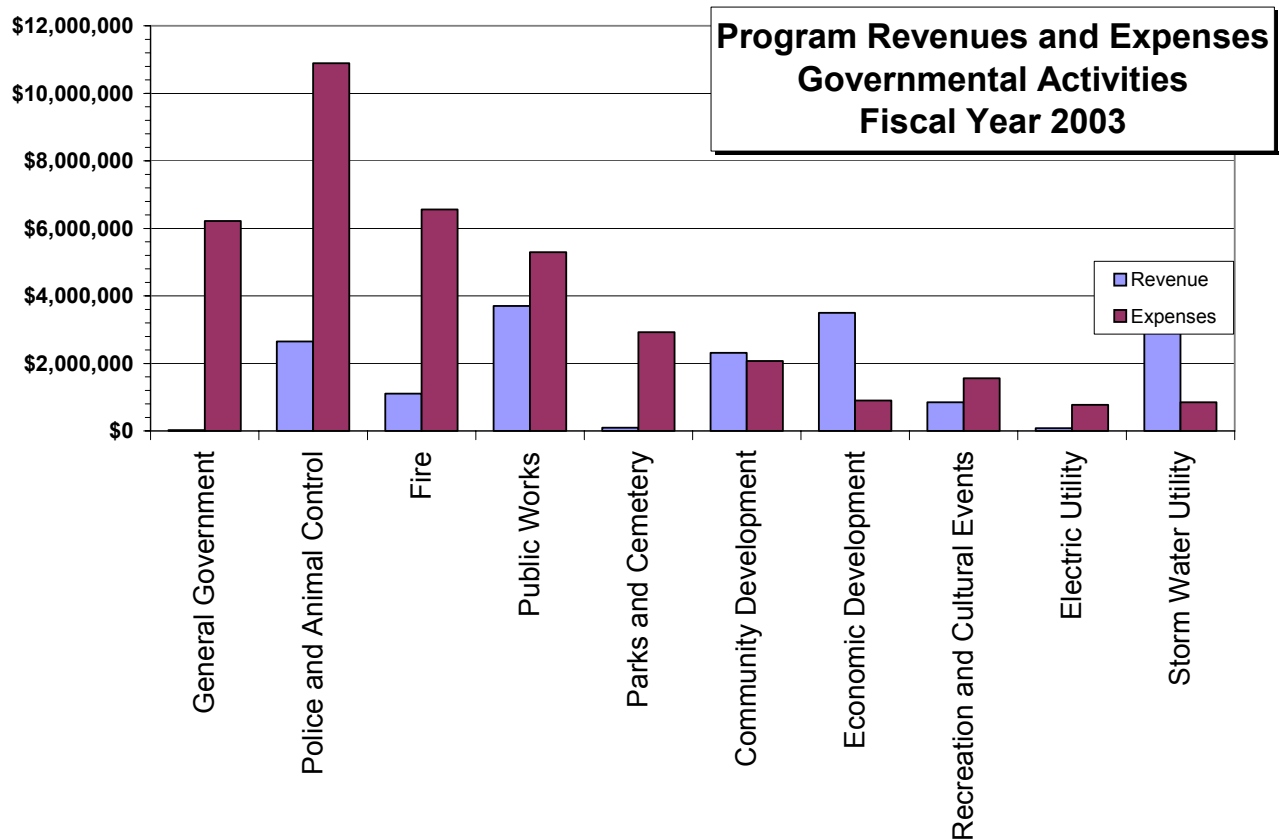
For the Year Ended June 30, 2003

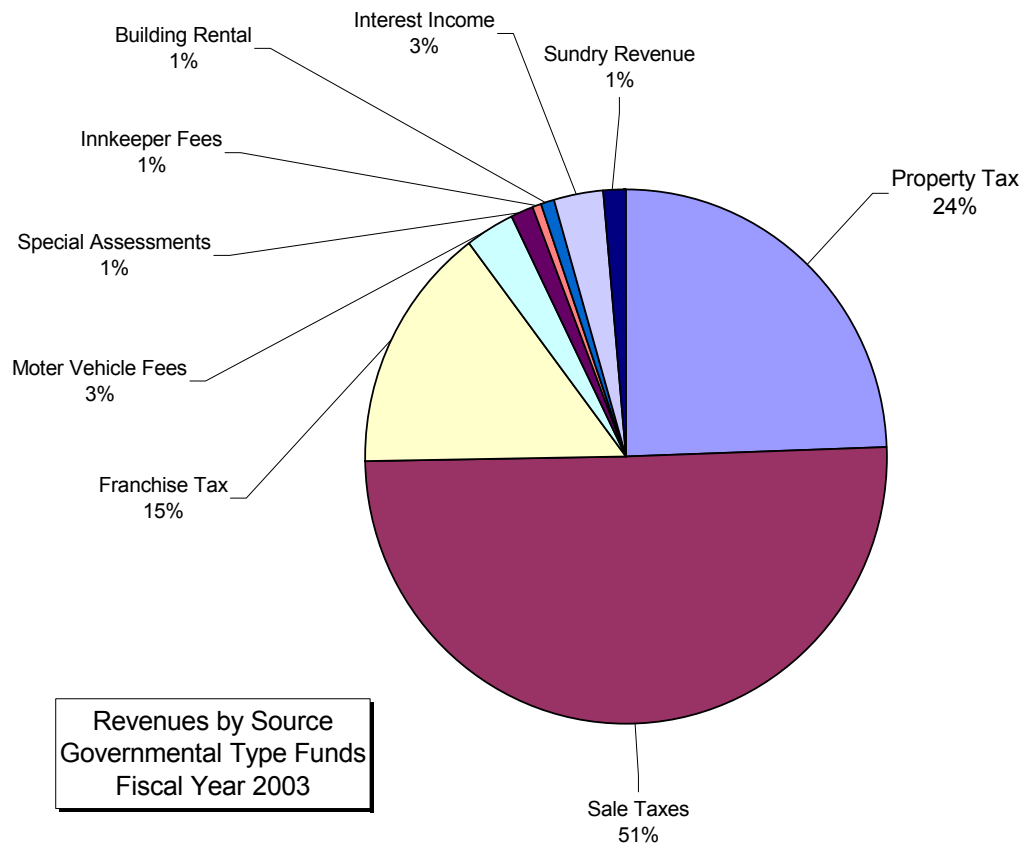
	Governmental	Business-type	Total Primary
Revenues			
Program revenues:			
Charges for services	\$ 13,241,097	\$ 19,968,298	\$ 33,209,395
Operating grants and contributions	3,779,329	-0-	3,779,329
Capital grants and contributions	331,364	2,813,543	3,144,907
General revenues:			
Property Tax	7,088,504	273,683	7,362,187
Sales Tax	14,569,744	-0-	14,569,744
Franchise Tax	4,299,404	-0-	4,299,404
Motor Vehicle Fees	918,730	38,578	957,308
Special Assessments	388,837	-0-	388,837
Interest Income	873,325	228,749	1,102,074
Sale of Fixed Assets	116,869	-0-	116,869
Sundry Revenue	949,002	-0-	949,002
Total revenues	46,556,205	23,322,851	69,879,056
Expenses			
General Government	6,354,049	-0-	6,354,049
Police & Animal Control	10,921,199	-0-	10,921,199
Fire	6,592,822	-0-	6,592,822
Public Works	5,324,632	-0-	5,324,632
Parks, Landscapes and Cemetery	2,927,991	-0-	2,927,991
Community Development	2,077,192	-0-	2,077,192
Economic Development	902,182	-0-	902,182
Recreation and Cultural Events	1,564,928	-0-	1,564,928
Electric Utility	772,840	-0-	772,840
Storm Water Utility	1,174,075	-0-	1,174,075
Interest on Long-Term Debt	2,608,382	-0-	2,608,382
Alta Canyon Sports Center	-0-	1,002,446	1,002,446
Water Fund	-0-	10,406,190	10,406,190
Waste	-0-	3,344,378	3,344,378
Golf Course Fund	-0-	912,133	912,133
Total expenses	41,220,292	15,665,147	56,885,439
Increase in net assets before transfers	5,335,912	7,657,704	12,993,616
Transfers	(334,187)	334,187	-0-
Increase in net assets	5,001,725	7,991,891	12,993,616
Beginning net assets	345,387,423	67,631,853	413,019,276
Ending net assets	\$ 350,389,148	\$ 75,623,744	\$ 426,012,892

The City's net assets increased \$12,993,616 during fiscal year 2003. This growth largely reflects rate increases, increases in capital grants, and capital asset additions.

Governmental activities: Governmental activities increased the City's net assets by \$5,001,725, accounting for 39 percent of the total growth in the net assets of the City. Key elements of this change are as follows:

- The primary factor contributing to this increase is a \$5,444,543 infrastructure addition for fiscal year 2003.
- The City received a \$285,100 grant from the U. S. Department of Transportation to fund the right of way acquisition at approximately 1300 East 7800 South.
- Delinquent property tax revenue exceeded the budget by \$148,458



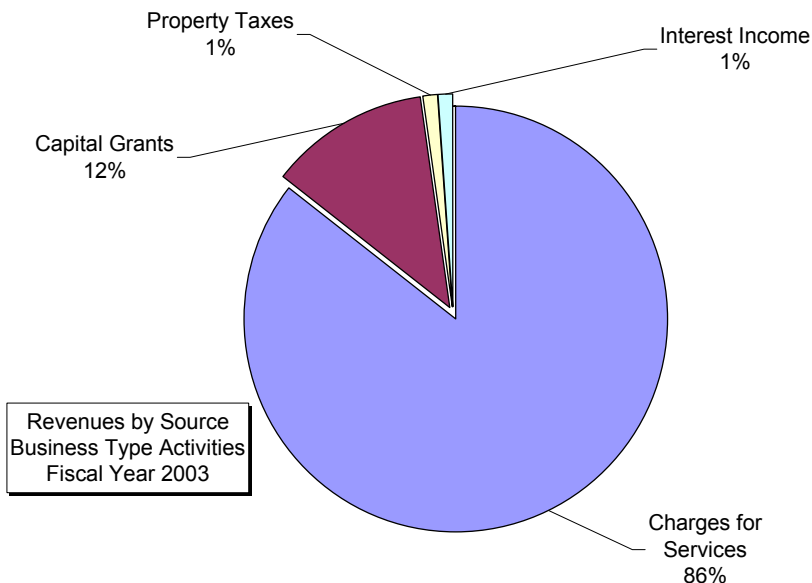
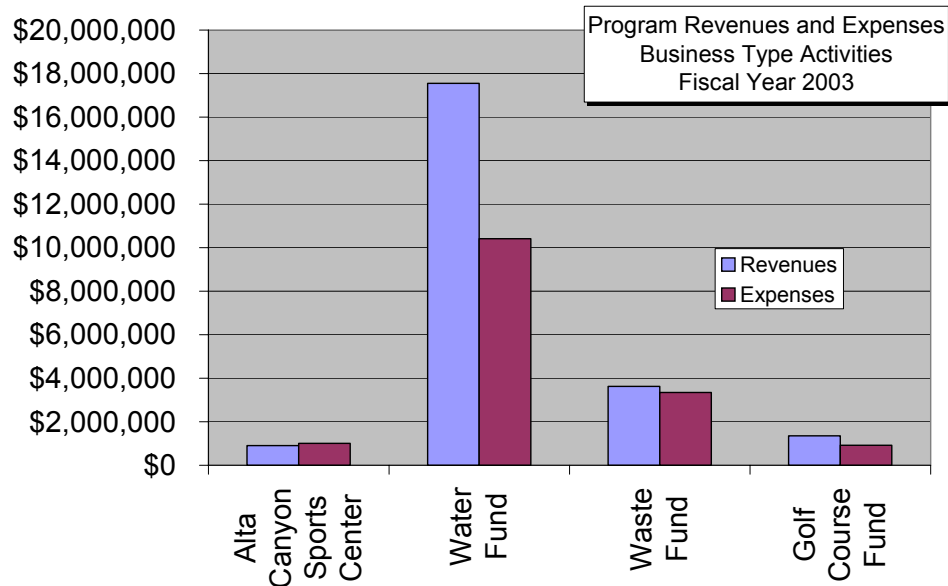


After several years of positive sales tax growth, City sales tax posted \$1,017,999 under expectations for fiscal year 2003. The national and local economic downfall has fueled the decline. Budget reductions were made in each department during the year to ensure that the decrease in revenue inflows were offset and that total net assets did not decline.

Business-type activities: Business-type activities increased the City's net assets by \$7,991,891, accounting for 61 percent of the total growth in the government's net assets. Key elements of the change in business-type net assets are as follows:

- The City's water fund received \$2,813,543 of \$3,871,400 of phase one of a grant from the Environmental Protection Agency to pay for 55 percent of the Southeast Quadrant Well and Automated Meter Reading Conversion projects.
- To assist in paying for the constantly increasing demand for culinary water and to encourage conservation, the water fund continued its program to increase water rates by 6.5 percent per year. This, along with the grant mentioned above, had a positive impact on business-type net assets in the amount of \$7,139,363.
- The City purchased River Oaks Golf Course on July 1, 2002. In the first year under Sandy City's cautious expense management and aggressive marketing efforts, the golf course realized a \$435,681 increase in net assets.

- The waste fund contributed \$285,616 to the increase in business-type net assets. The primary reasons are: 1) a 7 percent increase in garbage base charges and 2) the City began charging for extra recycle bins starting July 1, 2002.
- On January 1, 2003, Sandy City took over the management of the Alta Canyon Sports Center. In prior years, Alta Canyon Sports Center has been reported in the City's financial statements as a component unit. In fiscal year 2003, Alta Canyon Sports Center caused a \$93,587 decrease in business-type net assets. For more information regarding the City's management of Alta Canyon, see note 1 beginning on page 46 of the notes to the financial statements.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Sandy City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2003, the City's governmental funds reported combined ending fund balances of \$30,136,615 which is a decrease of \$11,455,624 from the prior fiscal year. Approximately \$15,887,492 (53 percent) of this amount constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$4,218,330), 2) to pay for capital projects including road projects (\$6,634,562), or 3) to fund specific programs for which it was collected (\$3,396,231).

The general fund is the chief operating fund of the City. At the end of fiscal year 2003, fund balance of the general fund was \$4,089,891, all of which was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12 percent of the total general fund expenditures.

The fund balance of the City's general fund increased \$150,614 during fiscal year 2003. While the City realized a budget shortfall in many of the general fund revenues due to the struggling economy (\$1,017,999 below expectations in general sales and use taxes, \$87,980 in fines and forfeitures, \$46,225 in charges for services, and \$20,213 in interest income), we received more general fund revenue than expected in a few areas: \$118,804 in property taxes, \$125,804 in franchise taxes, \$15,682 in licenses and permits, and \$4,384 in miscellaneous revenues.

The storm water fund experienced a decrease in fund balance of \$7,386,508 for fiscal year 2003 resulting in a total ending fund balance of \$5,971,623. This decrease is mainly due to the construction of the 8600 South outfall line classified as work in progress as the end of fiscal year 2003.

Fund balance in the capital projects fund decreased by \$3,260,826 during fiscal year 2003 leaving an ending fund balance of \$11,467,898. The primary causes of this decrease are 1) work in progress additions of \$1,222,263 for the River Oaks Golf Course clubhouse; 2) work in progress additions of \$1,036,745 for Lone Peak Park; 3) road improvements on 9800 South costing \$485,561; and 3) the completion of the new animal services building, which totaled \$843,737 (\$137,991 during fiscal year 2003).

The debt service fund has a total fund balance of \$5,210,972, all of which is reserved for the payment of debt service. The net increase (\$508,045) in fund balance during fiscal year 2003 in the debt service fund accounts for 10 percent of the ending fund balance. This increase in fund balance is attributable to the issuance of two new bonds in fiscal year 2003: 1) The 2002A Parking Facility bond increased debt service reserved fund balance by

\$441,000, and 2) The 2002B South Towne Ridge Road bond debt service reserve requirement added \$76,000 to reserved fund balance.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the City's proprietary funds amounted to \$23,812,490 for the water fund, \$5,406,359 for the waste fund, and \$33,077 for Alta Canyon Sports Center. River Oaks Golf Course netted an unrestricted net assets deficit of \$74,704. This deficit is caused by the portion of net assets invested in capital assets, net of related debt (\$217,277). Capital assets are used to provide services to citizens and are therefore unavailable to pay for related debt. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget in the general fund amounted to a \$22,474 increase in revenue and an additional \$100,274 in appropriations. These increases are explained below:

Although Alta Canyon Sports Center has been reported in the City's financial statements as a discretely presented component unit in past years, on January 1, 2003, the City began including Alta Canyon Sports Center as an integral part of the primary government. It was necessary to charge the Alta Canyon Sports Center enterprise fund for administrative charges of \$22,474 and increase staff in personnel and purchasing to meet demand from the increased workload. The City appropriated salary and benefits for and hired a personnel receptionist (\$13,795) and a part-time purchasing assistant (\$8,679).

The City increased appropriations for court appointed council by \$40,000 in order to comply with a 2002 U.S. Supreme Court decision regarding court appointed council for indigent defendants. This was budgeted out of available fund balance.

Appropriations were also increased \$30,000 for selective enforcement, \$2,000 for Sandy Pride Day, \$2,500 for the Sister Cities program, \$2,500 for a water conservation campaign and \$800 for water conservative landscaping of the Sandy City hall parking lot islands. These increases as well as a \$27,000 increase in appropriations in the capital projects fund for infrastructure improvements on 9800 South were also funded from available fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2003 amounts to land, improvements other than buildings, machinery and equipment, autos and trucks, infrastructure (roadway system), street light system, and storm drain system. The total increase in the City's investment in capital assets for fiscal year 2003 was 5 percent (a 5 percent increase for governmental activities and an 8 percent increase for business-type activities).

Major capital assets events during fiscal year 2003 included the following:

- Phase one of the parking facility funded with special assessment bonds and costing \$3,110,069 was finished this fiscal year.
- South Towne Ridge road was completed for \$1,022,013. This project was paid for with special assessment bonds and will facilitate commercial growth for the City.
- The City completed the construction of the Brandon Canyon well including the pump station and water lines for a total of \$1,225,672.
- A new animal services building costing \$843,737 was completed in fiscal year 2003 to accommodate increasing demand for these services.
- 9800 South roadway improvements were finished for \$485,561.
- The City purchased 1.83 acres of land for \$325,165 to expand Lone Peak Park.
- The City purchased and implemented a new telephone switch system totaling \$308,952 replacing our previous switch, which, after ten years, had become obsolete. The new switch services all City buildings, as opposed to having a separate switch for each outlying building as we had in the past. The new switch also saves the City money because separate data and voice lines are no longer necessary.
- Significant increases in governmental activities construction in progress include \$1,036,745 for Lone Peak Park and \$8,663,411 for the 8600 South storm drain construction.
- Significant increases in business-type activities construction in progress include \$2,586,743 for the Southeast Quadrant Wells, \$2,457,519 for the installation and implementation of automated water meter reading and \$1,764,240 for construction of the River Oaks Golf Course clubhouse.

Capital Assets, Net of Depreciation

June 30, 2003

	Governmental Activities	Business-type Activities	Total Primary Government
Land	\$ 187,257,078	\$ 6,445,295	\$ 193,702,373
Buildings and Systems	27,839,021	419,6903	69,755,924
Improvement Other Than Buildings	3,743,593	954,800	4,698,393
Vehicles	6,262,366	-0-	6,262,366
Machinery and Equipment	3,037,998	160,446	3,198,444
Infrastructure	123,500,844	-0-	123,500,844
Construction in Progress	16,770,135	660,4862	23,374,997
Total	\$ 368,411,035	\$ 56,082,306	\$ 424,493,341

The City has not recorded its roadway system infrastructure as part of the general fixed asset account group in past years, but has recorded storm water and street light systems infrastructure in the appropriate funds at historical cost less depreciation. With the implementation of GASB Statement No. 34, Sandy City implemented the modified approach to account for roadway system infrastructure. Because many infrastructure assets may reasonably be expected to continue to function indefinitely if they are adequately preserved and maintained, GAAP allow a government to forego reporting depreciation in connection with networks or subsystems of infrastructure assets. A government choosing this option must commit to maintain those particular infrastructure assets at a predetermined condition level of its own choosing and must establish an asset management system that is adequate for that

purpose. Sandy City has established a policy to maintain at least 80 percent of its roadway system at a good or better condition and have no more than 10 percent in a substandard condition. For the fiscal year ending June 30, 2003, the City has met this goal for each of the three subsystems of the roadway network (main arterial, arterial, and secondary) with 88.6 percent of the overall roadway network being in good or better condition and only 3.5 percent in substandard condition. This is a slight increase from those in good or better condition at the end of fiscal year 2002 (85.8 percent) and a slight decrease from those in substandard condition for the fiscal year ending June 30, 2002 (4.1 percent). Additionally, there was an insignificant difference between the City's actual expenditures (\$4,692,000) and its predicted needs (\$4,814,000) to maintain the roadway system at these levels. More detailed information on this subject can be found in note 24 on page 73 of the notes to the financial statements.

Additional information on the City's capital assets can be found in note 10 on pages 60-61 of this report.

Long-term debt. At the end of fiscal year 2003, the City had total long-term obligations outstanding of \$65,536,857. Of this amount, \$5,255,000 comprises debt backed by the full faith and credit of the government and \$7,131,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City's bonded debt (\$48,665,000) represents bonds secured solely by specified revenue sources (i.e. revenue bonds). The City's long-term obligations outstanding also include notes payable, capital leases, and compensated absences totaling \$4,485,000.

Outstanding Debt
As of June 30, 2003

	Governmental Activities	Business-type Activities	Total Primary Government
General obligation bonds	\$ 5,255,000	\$ -0-	\$ 5,255,000
Special assessment debt with governmental			
Revenue bonds	37,315,000	\$11,350,000	48,665,000
Total bonds payable	49,701,000	11,350,000	61,051,000
Equipment Lease	345,300	-0-	345,300
Compensated Absences	2,095,557	-0-	2,095,557
Total other debt	4,485,857	-0-	4,485,857
Total outstanding debt	\$ 54,186,857	\$ 11,350,000	\$ 65,536,857

The City's total debt increased \$3,040,381 (5 percent) during fiscal year 2003. Key factors in this increase are as follows:

- On December 19, 2002, the City issued \$4,409,000 in special assessment bonds at rates from 2.65 to 4.75 percent with a final maturity date of December 15, 2012. The Sandy City, Utah, Special Improvement District No. 2001-1 (Parking Structure) was established by the City for the purpose of land and rights of way acquisition and construction of parking and plaza improvements.
- On December 19, 2002, the City issued \$762,000 in special assessment bonds at rates from 2.8 to 4.8 percent with a final maturity date of December 15, 2012. The Sandy City, Utah, Special Improvement District No. 2000-

1 (South Towne Ridge Road) was established by the City for the purpose of land and rights of way acquisition, construction of roads, and the installation of water, sewer, and storm drain improvements.

- On July 1, 2002, the City issued \$4,550,000 in sales tax revenue bonds (series 2002B) at rates from 3.00 to 4.50 percent with a final maturity date of September 15, 2014. The bonds were issued to finance costs associated with acquiring, constructing and equipping River Oaks Golf Course and park improvements and paying the costs of issuing the bonds.
- On February 14, 2003, the City entered into an annual appropriation lease agreement with Wells Fargo Brokerage Services, LLC in the amount of \$345,300 at a rate of 3.45 percent with the final payment due on February 15, 2007. The purpose of the lease is to purchase equipment for River Oaks Golf Course.

During fiscal year 2003, the City refinanced the 1993 Auto Mall (special assessment) bond with \$1,960,000 special assessment refunding bonds at rates from 2.73 to 4.83 percent and with a final maturity date of September 1, 2012. The result is expected to be a decrease in future debt service payments of \$413,000.

The City maintains a “Aa+” rating from Moody’s for all of Sandy City’s bonds.

The Utah Constitution (Section 14, Paragraph) limits the amount of general obligation debt a governmental entity may issue to 8 percent of the “reasonable fair cash value” of property. Of this percentage, a maximum of 4 percent may be used for general purposes. The remaining 4 percent and any unused portion of the 4 percent available for general purposes up to the maximum 8 percent may be utilized for water and/or sewer purposes. The current debt limitation for the City’s general purpose debt and the water and/or sewer debt is \$257,856,333 for each. This limitation is significantly in excess of the City’s outstanding general obligation debt.

Additional information on the City’s long-term debt can be found in note 11 on pages 62-67 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- The unemployment rate for Sandy City was 4.5 percent at June 30, 2003, which is a slight increase over the 4.3 percent unemployment rate at the same time last year. This compares favorably with the State’s June 2003 unemployment rate of 5.2 percent and the national seasonal unemployment rate of 6.4 percent.
- The economic slowdown continues to affect the local economy. As noted earlier, sales and use tax revenue came in below the budgeted amount for the first time in several years in fiscal year 2003. Realizing the possibility that sales tax revenues may follow the same path in fiscal year 2004, City departments were very conservative in requests for additional operating resources. City management is formulating a plan to reduce department budgets further in the event this should happen.
- Sandy City is committed to attracting and maintaining its commercial tax base through incentive strategies, legislative initiatives and continued support from the existing business community. The City was pleased to welcome several new businesses to the community during fiscal year 2003.

All of the above factors were considered in preparing the City’s budget for fiscal year 2004.

During fiscal year 2003, unreserved fund balance in the general fund increased to \$4,089,891. The City anticipates a moderate increase for fiscal year 2004 as well.

Both water and waste collection rates increased for fiscal year 2004. The water rates were increased by 6.5 percent as a part of the City's ongoing effort to pay for increased operating and capital costs which result from an escalating demand on the City's culinary water system. The City increased waste collection base rates by 7 percent and second can rates by 53 percent to keep up with rising collection, landfill, and recycling costs. Rates for third and additional cans increased by nine dollars per can to encourage recycling.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Sand City's finances for everyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sandy City Finance Department, 10000 Centennial Parkway, Sandy, Utah 84070.

BASIC FINANCIAL STATEMENTS

SANDY CITY
Statement of Net Assets
June 30, 2003

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 26,965,826	\$ 6,790,853	\$ 33,756,679
Receivables - Net	18,480,322	2,975,776	21,456,098
Due from Other Governmental Units	233,128	2,079,906	2,313,034
Internal Balances	(224,819)	224,819	-0-
Inventories	19,336	199,304	218,640
Prepaid Assets	27,431	508,304	535,735
Deferred Charges	141,077	292,662	433,739
Temporarily Restricted Assets:			
Road Funds	1,480,671	-0-	1,480,671
Capital Projects	5,153,891	293,107	5,446,998
Debt Service	4,218,330	1,196,290	5,414,620
Water Rights & Capacity	-0-	14,036,735	14,036,735
Investment in Joint Venture	-0-	4,798,782	4,798,782
Capital Assets (Net of Accumulated Depreciation)			
Land	187,257,078	6,445,295	193,702,373
Buildings and Systems	27,839,021	41,916,903	69,755,924
Improvements Other Than Buildings	3,743,593	954,800	4,698,393
Vehicles	6,262,366	-0-	6,262,366
Machinery and Equipment	3,037,998	160,446	3,198,444
Infrastructure	123,500,844	-0-	123,500,844
Construction in Progress	16,770,135	6,604,862	23,374,997
Total Assets	<u>\$ 424,906,228</u>	<u>\$ 89,478,844</u>	<u>\$ 514,385,072</u>

The accompanying notes are an integral part of this financial statement

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	\$ 2,342,234	\$ 1,766,346	\$ 4,108,580
Salaries & Benefits Payable	1,103,656	94,856	1,198,512
Accrued Interest Payable	682,444	179,006	861,450
Claims & Judgements Payable	792,636	-0-	792,636
Due to Other Governmental Units	8,927	21,286	30,213
Bonds, Notes and Leases Payable - Current	4,175,887	975,000	5,150,887
Deferred Revenue	7,318,489	355,614	7,674,103
Deferred Assessments	7,094,000	-0-	7,094,000
Deposits	987,837	87,992	1,075,829
Noncurrent Liabilities:			
Compensated Absences	2,095,557	-0-	2,095,557
Bonds, Notes and Leases Payable	47,915,413	10,375,000	58,290,413
Total Liabilities	74,517,080	13,855,100	88,372,180
NET ASSETS			
Invested In Capital Assets, Net of Related Debt	316,319,735	44,732,306	361,052,041
Restricted For:			
Debt service	4,218,330	1,196,290	5,414,620
Capital Projects	5,153,891	293,107	5,446,998
Road Funds	1,480,671	-0-	1,480,671
Unrestricted	23,216,521	29,402,041	52,618,562
Total Net Assets	\$ 350,389,148	\$ 75,623,744	\$ 426,012,892

SANDY CITY
Statement of Activities
For the Year Ended June 30, 2003

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 6,354,049	\$ 27,932	\$ -0-	\$ -0-
Police & Animal Control	10,921,199	2,503,235	144,346	-0-
Fire	6,592,822	1,043,746	40,777	24,959
Public Works	5,324,632	371,506	3,028,933	300,000
Parks, Landscapes and Cemetery	2,927,991	84,823	8,320	-0-
Community Development	2,077,192	1,754,869	556,953	6,405
Economic Development	902,182	3,500,288	-0-	-0-
Recreation and Cultural Events	1,564,928	851,002	-0-	-0-
Electric Utility	772,840	81,963	-0-	-0-
Storm Water Utility	1,174,075	3,021,733	-0-	-0-
Interest on Long-Term Debt	2,608,382	-0-	-0-	-0-
Total Governmental Activities	41,220,292	13,241,097	3,779,329	331,364
Business-Type Activities:				
Alta Canyon Sports Center	1,002,446	595,545	-0-	-0-
Water	10,406,190	14,741,718	-0-	2,813,543
Waste	3,344,378	3,617,167	-0-	-0-
Golf Course	912,133	1,013,868	-0-	-0-
Total Business-Type Activities	15,665,147	19,968,298	-0-	2,813,543
Total Primary Government	\$ 56,885,439	\$ 33,209,395	\$ 3,779,329	\$ 3,144,907

General Revenues:

Property Tax
Sales Taxes
Franchise Tax
Motor Vehicle Fees
Interest Income
Sale of Fixed Assets
Sundry Revenue

Transfers

Total General Revenues and Transfers

Change in Net Assets

Beginning Net Assets

Ending Net Assets

The accompanying notes are an integral part of this financial statement

Net (Expenses) Revenue and Change in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (6,326,117)	\$ -0-	\$ (6,326,117)
(8,273,618)	-0-	(8,273,618)
(5,483,340)	-0-	(5,483,340)
(1,624,193)	-0-	(1,624,193)
(2,834,848)	-0-	(2,834,848)
241,035	-0-	241,035
2,598,106	-0-	2,598,106
(713,926)	-0-	(713,926)
(690,877)	-0-	(690,877)
1,847,658	-0-	1,847,658
(2,608,382)	-0-	(2,608,382)
(23,868,502)	-0-	(23,868,502)
-0-	(406,901)	(406,901)
-0-	7,149,071	7,149,071
-0-	272,789	272,789
-0-	101,735	101,735
-0-	7,116,694	7,116,694
(23,868,502)	7,116,694	(16,751,808)
7,088,504	273,683	7,362,187
14,569,744	-0-	14,569,744
4,299,404	-0-	4,299,404
918,730	38,578	957,308
873,325	228,749	1,102,074
116,869	-0-	116,869
1,337,839	-0-	1,337,839
(334,187)	334,187	-0-
28,870,228	875,197	29,745,425
5,001,725	7,991,891	12,993,616
345,387,423	67,631,853	413,019,276
\$ 350,389,148	\$ 75,623,744	\$ 426,012,892

SANDY CITY
Balance Sheet
Governmental Funds
June 30, 2003

	General Fund	Storm Water	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 4,288,028	\$ 3,265,011	\$ 999,371	\$ 7,903,569	\$ 3,395,979	\$ 19,851,958
Receivables - Net	9,327,009	756,538	7,398,213	-0-	10,473	17,492,233
Due from other Govt. Units	29,457	-0-	-0-	48,379	155,292	233,128
Due From Other Funds	-0-	-0-	-0-	-0-	63,473	63,473
Prepaid Assets	16,944	-0-	-0-	-0-	10,487	27,431
Temporarily Restricted Assets:						
Road Funds	-0-	-0-	-0-	1,480,671	-0-	1,480,671
Capital Projects	-0-	2,045,333	-0-	3,108,558	-0-	5,153,891
Debt Service	-0-	-0-	4,218,330	-0-	-0-	4,218,330
Total Assets	13,661,438	6,066,882	12,615,914	12,541,177	3,635,704	48,521,115
<u>LIABILITIES:</u>						
Accounts Payable	904,006	75,279	35,223	1,073,279	132,243	2,220,030
Salaries & Benefits Payable	1,003,782	18,957	-0-	-0-	34,275	1,057,014
Due to Other Govt. Units	8,769	-0-	-0-	-0-	158	8,927
Due to Other Funds	-0-	-0-	-0-	-0-	63,473	63,473
Deferred Revenue	6,670,000	-0-	7,369,719	-0-	7,500	14,047,219
Deposits	984,990	1,023	-0-	-0-	1,824	987,837
Total Liabilities	9,571,547	95,259	7,404,942	1,073,279	239,473	18,384,500
Fund Balance						
Reserved for:						
Debt Service	-0-	-0-	4,218,330	-0-	-0-	4,218,330
Capital Projects	-0-	2,045,333	-0-	3,108,558	-0-	5,153,891
Roads	-0-	-0-	-0-	1,480,671	-0-	1,480,671
Special Revenues	-0-	-0-	-0-	-0-	3,396,231	3,396,231
Unreserved Fund Balances	4,089,891	3,926,290	992,642	6,878,669	-0-	15,887,492
Total Fund Balances	4,089,891	5,971,623	5,210,972	11,467,898	3,396,231	30,136,615
Total Liabilities and Fund Balances	\$ 13,661,438	\$ 6,066,882	\$ 12,615,914	\$ 12,541,177	\$ 3,635,704	\$ 48,521,115

The accompanying notes are an integral part of this financial statement

SANDY CITY

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets For the Year Ended June 30, 2003

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Total Fund Balances for Governmental Funds		\$ 30,136,615
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	187,257,078	
Buildings and Systems	27,839,021	
Improvements Other Than Buildings	3,699,149	
Vehicles	17,077	
Machinery and Equipment	591,853	
Infrastructure	123,500,845	
Construction in Progress	16,707,135	
Total Capital Assets		359,612,158
Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as receivables.		
		647,631
A portion of the excess revenue collected by the internal service funds must be returned to the business-type activities.		
		(224,819)
Internal services funds are used by the City to charge the costs of the fleet operations, information services, insurance, risk management, equipment and employee benefits. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
		13,314,103
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net assets.		
Accrued Interest Payable	(682,444)	
Unamortized Bond Issuance Costs	141,077	
Bonds, Notes and Leases Payable - Current	(4,093,000)	
Bonds, Notes and Leases Payable - Noncurrent	(47,653,000)	
Compensated Absences - Noncurrent	(809,173)	
		(53,096,540)
Net Assets of Governmental Activities		\$ 350,389,148

The accompanying notes are an integral part of this financial statement

SANDY CITY

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2003

	General Fund	Storm Water	Debt Service	Capital Projects	Other Governmental Funds	Total
Revenues:						
Taxes	\$ 26,565,982	\$ -0-	\$ 265,923	\$ -0-	\$ 3,500,288	\$ 30,332,193
Special Assessments	-0-	-0-	388,837	-0-	6,398	395,235
Innkeeper Fees	-0-	-0-	167,963	-0-	-0-	167,963
Licenses & Permits	1,685,082	-0-	-0-	-0-	-0-	1,685,082
Inter-Governmental Revenue	3,139,964	-0-	-0-	300,000	553,358	3,993,322
Charges for Services	1,354,971	2,599,901	271,452	-0-	662,052	4,888,376
Administrative Charges	1,033,484	-0-	-0-	-0-	-0-	1,033,484
Fines & Forfeitures	2,221,644	-0-	-0-	130,968	-0-	2,352,612
Cell Tower Lease	-0-	-0-	-0-	131,356	-0-	131,356
Fees from Developers	-0-	293,283	-0-	299,130	3,500	595,913
Interest Income	104,687	217,790	131,222	296,822	122,806	873,327
Miscellaneous Revenues	14,384	-0-	-0-	363,847	472,702	850,933
Total Revenues	36,120,198	3,110,974	1,225,397	1,522,123	5,321,104	47,299,796
Expenditures:						
Current						
General Government	6,981,846	-0-	-0-	-0-	138,741	7,120,587
Police & Animal Control	10,542,319	-0-	-0-	-0-	189,284	10,731,603
Fire	6,400,303	-0-	-0-	-0-	35,053	6,435,356
Public Works	4,690,782	-0-	-0-	-0-	1,090	4,691,872
Parks, Landscapes and Cemetery	2,463,490	-0-	-0-	-0-	44,063	2,507,553
Community Development	1,764,869	-0-	-0-	-0-	245,321	2,010,190
Economic Development	-0-	-0-	-0-	-0-	894,759	894,759
Recreation and Cultural Events	-0-	-0-	-0-	-0-	1,478,515	1,478,515
Electric Utility	-0-	-0-	-0-	-0-	491,681	491,681
Storm Water Utility	-0-	887,804	-0-	-0-	-0-	887,804
Capital Outlays:						
Public Works	-0-	-0-	2,844,894	4,823,271	-0-	7,668,165
Electric Utility	-0-	-0-	-0-	-0-	351,383	351,383
Storm Water Utility	-0-	8,840,420	-0-	-0-	-0-	8,840,420
Other Capital Outlays	-0-	-0-	-0-	-0-	613,442	613,442
Debt Service						
Principal	-0-	-0-	8,808,924	-0-	-0-	8,808,924
Interest on Long-Term Debt	-0-	-0-	2,642,292	-0-	-0-	2,642,292
Bond Issuance Cost and Trustee Fees	-0-	-0-	167,101	-0-	-0-	167,101
Total Expenditures	32,843,609	9,728,224	14,463,211	4,823,271	4,483,332	66,341,647
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,276,589	(6,617,250)	(13,237,814)	(3,301,148)	837,772	(19,041,851)
Other Financing Sources (Uses):						
Bond Proceeds	-0-	-0-	7,557,947	-0-	-0-	7,557,947
Sale of Capital Assets	11,572	128,549	-0-	105,297	-0-	245,418
Transfers In	950,936	-0-	6,250,412	1,329,689	1,205,028	9,736,065
Transfers Out	(4,088,483)	(897,807)	(62,500)	(1,394,664)	(3,509,749)	(9,953,203)
Total Other Financing Sources (Uses)	(3,125,975)	(769,258)	13,745,859	40,322	(2,304,721)	7,586,227
Net Change in Fund Balances	150,614	(7,386,508)	508,045	(3,260,826)	(1,466,949)	(11,455,624)
Beginning Fund Balances	3,939,277	13,358,131	4,702,927	14,728,724	4,863,180	41,592,239
Ending Fund Balances	\$ 4,089,891	\$ 5,971,623	\$ 5,210,972	\$ 11,467,898	\$ 3,396,231	\$ 30,136,615

The accompanying notes are an integral part of this financial statement

SANDY CITY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2003

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Net Change in Fund Balances - Total Governmental	\$ (11,455,624)
--	-----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	15,295,776
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	44,477
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,434,947
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(88,074)
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Internal service funds are used by the City to charge the costs of various activities to individual funds. A portion of the internal service funds net revenues is reported with governmental activities.	(112,727)
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Change in Net Assets of Governmental Activities	<u>\$ 5,001,725</u>
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The accompanying notes are an integral part of this financial statement

SANDY CITY**General Fund****Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
General Property Taxes	\$ 6,659,300	\$ 6,659,300	\$ 6,778,104	\$ 118,804
General Sales & Use Taxes	15,587,743	15,587,743	14,569,744	(1,017,999)
Franchise Taxes	4,173,600	4,173,600	4,299,404	125,804
Motor Vehicle Fee	925,500	925,500	918,730	(6,770)
Total Taxes	27,346,143	27,346,143	26,565,982	(780,161)
Licenses & Permits	1,669,400	1,669,400	1,685,082	15,682
Inter-Governmental Revenue	3,140,686	3,140,686	3,139,964	(722)
Charges for Services	1,401,196	1,401,196	1,354,971	(46,225)
Administrative Charges	999,010	1,021,484	1,033,484	12,000
Fines & Forfeitures	2,309,624	2,309,624	2,221,644	(87,980)
Interest Income	124,900	124,900	104,687	(20,213)
Miscellaneous Revenues	10,000	10,000	14,384	4,384
Total Revenues	37,000,959	37,023,433	36,120,198	(903,235)
Expenditures:				
Current				
General Government:				
Mayor	399,789	399,789	394,956	4,833
City Administrator	1,830,029	1,843,824	1,760,743	83,081
City Council	456,930	456,930	441,410	15,520
City Attorney	847,866	847,866	833,399	14,467
Court Services	939,342	979,342	966,307	13,035
Administrative Services	1,504,136	1,512,815	1,486,954	25,861
Non-Departmental	1,507,456	1,439,656	1,098,077	341,579
Total General Government	7,485,548	7,480,222	6,981,846	498,376
Public Safety:				
Police & Animal Control	10,710,789	10,710,789	10,542,319	168,470
Fire	6,485,398	6,485,398	6,400,303	85,095
Total Public Safety	17,196,187	17,196,187	16,942,622	253,565
Public Works	4,814,167	4,814,167	4,690,782	123,385
Parks and Cemetery	2,506,353	2,507,153	2,463,490	43,663
Community Development	1,798,132	1,798,132	1,764,869	33,263
Total Expenditures	33,800,387	33,795,861	32,843,609	952,252
Excess of Revenues Over Expenditures	3,200,572	3,227,572	3,276,589	49,017
Other Financing Sources (Uses):				
Sale of Capital Assets	-0-	-0-	11,572	11,572
Transfers In	950,936	950,936	950,936	-0-
Transfers Out	(3,751,508)	(3,778,508)	(4,088,483)	(309,975)
Total Other Financing Sources (Uses)	(2,800,572)	(2,827,572)	(3,125,975)	(298,403)
Net Change in Fund Balances	400,000	400,000	150,614	(249,386)
Beginning Fund Balances	3,939,277	3,939,277	3,939,277	-0-
Ending Fund Balances	\$ 4,339,277	\$ 4,339,277	\$ 4,089,891	\$ (249,386)

The accompanying notes are an integral part of this financial statement

SANDY CITY
Statement of Net Assets
Proprietary Funds
June 30, 2003

	Business - Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf	TOTALS	
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 149,598	\$ 5,898,509	\$ 742,746	\$ -0-	\$ 6,790,853	\$ 7,113,868
Receivables - Net	270,351	2,374,366	330,054	1,005	2,975,776	-0-
Due from other Govt. Units	-0-	2,079,906	-0-	-0-	2,079,906	-0-
Due From Other Funds	-0-	66,896	-0-	-0-	66,896	340,458
Prepaid Assets	-0-	508,304	-0-	-0-	508,304	-0-
Deferred Charges	-0-	258,510	-0-	34,152	292,662	-0-
Inventories	-0-	156,500	-0-	42,804	199,304	19,336
Total Current Assets	419,949	11,342,991	1,072,800	77,961	12,913,701	7,473,662
Noncurrent Assets:						
Restricted Cash and Cash Equivalents:						
Capital Projects	-0-	-0-	-0-	293,107	293,107	-0-
Debt Service	-0-	1,196,290	-0-	-0-	1,196,290	-0-
Investment In:						
Water Stock, Rights, and Capacity	-0-	14,036,735	-0-	-0-	14,036,735	-0-
Joint Venture	-0-	-0-	4,798,782	-0-	4,798,782	-0-
Capital Assets						
Land, Building, Plant, and Equipment	4,604,986	74,810,112	-0-	4,225,300	83,640,398	18,656,993
Accumulated Depreciation	(2,893,067)	(31,269,887)	-0-	-0-	(34,162,954)	(9,921,116)
Construction in Progress	-0-	6,062,885	-0-	541,977	6,604,862	63,000
Total Capital Assets	1,711,919	49,603,110	-0-	4,767,277	56,082,306	8,798,877
Total Assets	2,131,868	76,179,126	5,871,582	5,138,345	89,320,921	16,272,539
LIABILITIES:						
Current Liabilities:						
Accounts Payable	19,528	1,252,624	453,252	40,942	1,766,346	122,204
Salaries & Benefits Payable	8,634	61,890	8,328	16,004	94,856	46,642
Accrued Interest Payable	-0-	179,006	-0-	-0-	179,006	-0-
Due to Other Govt. Units	155	-0-	-0-	21,131	21,286	792,636
Due to Other Funds	-0-	-0-	-0-	66,896	66,896	-0-
Deferred/Unearned Income	339,555	16,059	-0-	-0-	355,614	365,270
Deposits	19,000	57,657	3,643	7,692	87,992	-0-
Bonds Payable	-0-	825,000	-0-	150,000	975,000	-0-
Capital Leases	-0-	-0-	-0-	-0-	-0-	82,887
Total Current Liabilities	386,872	2,392,236	465,223	302,665	3,546,996	1,409,639
Noncurrent Liabilities						
Compensated Absences	-0-	-0-	-0-	-0-	-0-	1,286,384
Bonds Payable - Long Term	-0-	5,975,000	-0-	4,400,000	10,375,000	-0-
Capital Leases	-0-	-0-	-0-	-0-	-0-	262,413
Total Noncurrent Liabilities:	-0-	5,975,000	-0-	4,400,000	10,375,000	1,548,797
Total Liabilities	386,872	8,367,236	465,223	4,702,665	13,921,996	2,958,436
NET ASSETS						
Invested In Capital Assets, Net of Related Debt	1,711,919	42,803,110	-0-	217,277	44,732,306	8,453,577
Investment in Gen Fixed Assets	-0-	-0-	-0-	-0-	-0-	-0-
Restricted For						
Debt Service	-0-	1,196,290	-0-		1,196,290	-0-
Capital Projects	-0-	-0-	-0-	293,107	293,107	-0-
Unrestricted	33,077	23,812,490	5,406,359	(74,704)	29,177,222	4,860,526
Total Net Assets	\$ 1,744,996	\$ 67,811,890	\$ 5,406,359	\$ 435,680	75,398,925	\$ 13,314,103
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					224,819	
Net assets of business-type activities (page 35)					\$ 75,623,744	

The accompanying notes are an integral part of this financial statement

SANDY CITY

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2003

	Business - Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf	TOTALS	
Operating Revenues:						
Charges for Sales & Services	\$ 538,014	\$ 13,461,630	\$ 3,482,116	\$ 1,013,868	\$ 18,495,628	\$ 5,637,131
Miscellaneous Revenues	-0-	-0-	-0-	-0-	-0-	100,018
Total Operating Revenues	538,014	13,461,630	3,482,116	1,013,868	18,495,628	5,737,149
Operating Expenses:						
Salaries and Benefits	580,957	1,619,762	154,483	400,828	2,756,030	1,764,253
Materials & Supplies	133,591	465,323	57,656	205,412	861,982	93,470
Contracted Services	50,155	788,520	-0-	32,050	870,725	1,004,119
Internal Charges	6,033	565,278	12,332	37,199	620,842	49,143
Administrative Charges	31,998	566,335	102,373	12,000	712,706	179,996
Cost of Goods Sold	41,658	3,705,863	2,956,519	65,753	6,769,793	642,783
Capitalized Internal Services	-0-	164,073	62,546	13,653	240,272	-0-
Capital Outlays	-0-	32,448	-0-	13,412	45,860	323,199
Depreciation	156,518	2,265,281	-0-	-0-	2,421,799	1,948,947
Total Operating Expenses	1,000,910	10,172,883	3,345,909	780,307	15,300,009	6,005,910
Operating Income/(Loss)	(462,896)	3,288,747	136,207	233,561	3,195,619	(268,761)
Nonoperating Revenues (Expenses):						
Property Taxes	312,261	-0-	-0-	-0-	312,261	352,067
Inter-Governmental Revenue	-0-	2,813,543	-0-	-0-	2,813,543	-0-
Interest Income	-0-	197,234	14,358	17,157	228,749	164,269
Cell Tower Lease	25,958	173,089	-0-	-0-	199,047	-0-
Fees from Developers	-0-	987,316	-0-	-0-	987,316	-0-
Equity Earnings from Joint Venture	-0-	-0-	135,051	-0-	135,051	-0-
Other Income (Expense)	29,693	43,071	-0-	(4,643)	68,121	3,766
Gain/(Loss) on Disposal of Asset	1,397	73,563	-0-	-0-	74,960	94,848
Bond Interest Expense	-0-	(437,200)	-0-	(144,582)	(581,782)	-0-
Total Nonoperating Revenues (Expenses):	369,309	3,850,616	149,409	(132,068)	4,237,266	614,950
Income Before Transfers	(93,587)	7,139,363	285,616	101,493	7,432,885	346,189
Transfers In	-0-	-0-	-0-	334,187	334,187	-0-
Transfers Out	-0-	-0-	-0-	-0-	-0-	(117,048)
Change in Net Assets	(93,587)	7,139,363	285,616	435,680	7,767,072	229,141
Beginning Net Assets	1,838,583	60,672,527	5,120,743	-0-		13,084,962
Ending Net Assets	\$ 1,744,996	\$ 67,811,890	\$ 5,406,359	\$ 435,680		\$ 13,314,103
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					224,819	
Change in net assets of business-type activities (page 37)					\$ 7,991,891	

The accompanying notes are an integral part of this financial statement

SANDY CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2003

	Business - Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf	TOTALS	
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 290,334	\$ 14,023,050	\$ 3,490,157	\$ 1,020,555	\$ 18,824,096	\$ 5,396,691
Payments to Suppliers	(277,280)	(6,078,275)	(3,073,875)	(360,210)	(9,789,640)	(2,355,454)
Payments to Employees	(607,881)	(1,601,838)	(152,829)	(384,824)	(2,747,372)	(1,661,319)
Net Cash Provided by (Used in) Operating Activities	(594,827)	6,342,937	263,453	275,521	6,287,084	1,379,918
Cash Flows from Noncapital Financing Activities:						
Tax Receipts	588,561	-0-	-0-	-0-	588,561	707,297
Cash Received (Paid) on Interfund Loan	-0-	4,158,404	-0-	(4,158,404)	-0-	-0-
Transfers from Other Funds	-0-	-0-	-0-	334,187	334,187	(117,048)
Other Income	55,651	43,071	-0-	(4,643)	94,079	3,766
Net Cash Provided from Noncapital Financing Activities	644,212	4,201,475	-0-	(3,828,860)	1,016,827	594,015
Cash Flows from Capital and Related Financing Activities:						
Acquisition of Capital Assets	-0-	(7,856,838)	-0-	(541,977)	(8,398,815)	(2,441,234)
Capital Grants and Contributions	-0-	733,637	-0-	-0-	733,637	-0-
Bond Proceeds - Net of Issuance Cost and Premiums	-0-	-0-	-0-	4,371,266	4,371,266	-0-
Capital Lease Proceeds	-0-	-0-	-0-	-0-	-0-	345,300
Principal Paid on Revenue Bonds	-0-	(785,000)	-0-	-0-	(785,000)	-0-
Interest Paid on Revenue Bonds	-0-	(377,637)	-0-	-0-	(377,637)	-0-
Proceeds from Cell Tower Leases	-0-	173,089	-0-	-0-	173,089	-0-
Contributions From Developers	-0-	422,343	-0-	-0-	422,343	-0-
Proceeds from Sale of Fixed Assets	1,397	78,630	-0-	-0-	80,027	150,917
Net Cash Provided (Used) by Capital and Related Financing Activities	1,397	(7,611,776)	-0-	3,829,289	(3,781,090)	(1,945,017)
Cash Flows from Investing Activities:						
Interest Income Received	-0-	197,234	14,358	17,157	228,749	164,269
Net Increase (Decrease) in Cash and Cash Equivalents	50,782	3,129,870	277,811	293,107	3,751,570	193,185
Cash and Cash Equivalents - Beginning of Year	98,816	3,964,929	464,935	-0-	4,528,680	6,920,683
Cash and Cash Equivalents - End of Year	\$ 149,598	\$ 7,094,799	\$ 742,746	\$ 293,107	\$ 8,280,250	\$ 7,113,868
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:						
Operating Income	\$ (462,896)	\$ 3,288,747	\$ 136,207	\$ 233,561	\$ 3,195,619	\$ (268,761)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:						
Depreciation	156,518	2,265,281	-0-	-0-	2,421,799	1,948,947
Accounts Receivables	(259,251)	565,938	23,532	(1,005)	329,214	(340,458)
Inventories	-0-	37,800	-0-	(42,804)	(5,004)	20,982
Prepaid Assets	926	(27,162)	-0-	-0-	(26,236)	1,701
Accounts Payable	(14,771)	198,927	117,551	62,073	363,780	(85,427)
Salaries & Benefits Payable	(26,924)	17,924	1,654	16,004	8,658	102,934
Deferred Revenue	11,571	409	-0-	-0-	11,980	-0-
Customer Deposits	-0-	(4,927)	(15,491)	7,692	(12,726)	-0-
Net Cash Provided (Used) by Operating Activities	\$ (594,827)	\$ 6,342,937	\$ 263,453	\$ 275,521	\$ 6,287,084	\$ 1,379,918
Noncash Transactions Affecting Financial Position:						
Contributions of Fixed Assets From Developers	-0-	564,973	-0-	-0-	564,973	-0-
Increase in Investments in Joint Venture	-0-	-0-	135,051	-0-	135,051	-0-
Noncash Transactions Affecting Financial Position	\$ -0-	\$ 564,973	\$ 135,051	\$ -0-	\$ 700,024	\$ -0-

The accompanying notes are an integral part of this financial statement

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City operates under the council-mayor optional form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. The City Council establishes City policy, approves the budget, and ratifies the appointment of the City Officials. The City Council is authorized to issue bonds, to incur short-term debt, to levy property taxes, and is not dependent on any other unit of local government.

As required by Accounting Principles Generally Accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each blended unit has a June 30 year end.

Blended Component Unit

The Sandy Redevelopment Agency (the Agency) was legally created as authorized by the Utah Neighborhood Development Act. The City Council is designated by ordinance as the governing body of the Agency. Therefore, the Agency is part of the City's reporting entity because the City has accountability for all significant fiscal and operating matters. The agency is reported as a Nonmajor Governmental Fund.

The Alta Canyon Recreation Special Service District (the District) was legally created as authorized by the Utah Special Service District Act. The District is within the boundaries of the City and services the northeast quadrant (or about one-fourth) of the City. The District's Administrative Control Board is comprised of seven elected individuals and is the governing authority. The Administrative Control Board establishes District policy, appoints the District officials, governs the process controlling the collection and disbursement of funds, and is responsible for funding deficits. The District also has the following powers: to sue and be sued, eminent domain, to enter into contracts, and to acquire and construct facilities. Of equal importance, no tax may be levied and no bonds shall be issued unless authorized by a majority of the qualified voters of the District.

The District is fiscally dependant upon the City because the City Council approves the District's budget, property tax rate, issuance of any long-term debt, and has the power to dissolve the District. Indirectly, the District provides services which almost exclusively benefit the City. As of January 1, 2003, the District requested the City to take over the management of daily operations. As such, the District is now reported as a blended component unit of the City. The District is accounted for as an Enterprise Fund.

Investment in Joint Venture

The City is a partner with neighboring cities in a joint venture known as Trans-Jordan Cities . The purpose of this joint venture is to provide solid waste management and disposal services. Investment in joint venture is accounted for using the equity method (see Note 8).

SANDY CITY
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Related Organizations

The City also has activities with Metropolitan Water District. City officials appoint members to the board of directors, but the City's accountability does not extend beyond making the appointments.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, interfund activity has been removed from these statements. Governmental activities, which are largely supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for services for support.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the Governmental Funds, Proprietary Funds, and Internal Service Funds. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. All Governmental Fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental Funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All Governmental Fund financial statements are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Principal revenue sources susceptible to accrual include property taxes, sales taxes, franchise taxes, special assessments, and interest on investments. Furthermore, expenditures are recorded when fund liabilities are incurred.

The Enterprise and Internal Service Fund financial statements are reported using the accrual basis of accounting. These funds are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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on their balance sheets. The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds. Pronouncements of the Financial Accounting Standards Board (FASB) are applied if issued on or before November 30, 1989 and do not conflict with GASB pronouncements.

Description of Funds

The City reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The **Storm Water Fund** accounts for the City's revenues and capital expenditures associated with drainage for storm water run off.

The **Debt Service Funds** are used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the City is obligated in some manner for the payment. The City's debt service funds include the General Purposes Debt Service Fund, Auto Mall Special Improvement District Fund, and the Special Improvement Guarantee Fund.

The **Capital Projects Fund** accounts for the resources used to acquire, construct, and improve major capital facilities, other than those financed by Proprietary Funds. Capital Projects funds allow the City to compile project cost data and demonstrate that legal or contractual requirements, regarding the use of the resources, are fully satisfied. The principal source of funding is contributions from developers restricted for capital construction, operating transfers from the General Fund, grants, and bonding. All funds received for a particular purpose are restricted and used specifically for that purpose.

The City reports the following major Proprietary Funds:

The **Alta Canyon Sports Center Fund** accounts for the activities created by the Alta Canyon Recreation Special Service District.

The **Water Fund** is used to account for the operations of the City's Water Utility.

The **Waste Fund** accounts for waste collection services provided by an independent contractor.

The **Golf Fund** is used to account for the City's golf course.

Additionally, the City reports the following fund types:

The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The Internal Service Funds

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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include the Fleet Fund, the Information Services Fund, the Risk Management Fund, the Equipment Management Fund, and the Payroll Management Fund.

Budget Operation

The City operates within the budget requirements as specified by Utah State law. The financial reports reflect the following budget standards:

1. For the fiscal year beginning July 1, the budget officer prepares a tentative budget which is presented to the City Council on or before the first regularly scheduled meeting in May.
2. By resolution, the City Council legally adopts the final budget on or before June 22, after appropriate public hearings have been held. However, if there is a change to the certified tax rate, the final budget can be adopted as late as August 17.
3. Once adopted, the budget can be amended by subsequent City Council action. Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the Budget Officer, but increased appropriations require a public hearing prior to amending the budget. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the approval of the Budget Officer.
4. Interim adjustments in estimated revenue and departmental appropriations during the fiscal year 2003 have been included in the final budget approved by the City Council, as presented in the financial statements. These amendments were not material in relation to the original appropriations.
5. As determined by Utah State law, the level for which expenditures may not legally exceed appropriations is the departmental budget within a given fund.
6. Budgets for the General, Special Revenue, Debt Service (General Purposes Debt Service Fund only), and Capital Projects Funds are adopted on a basis consistent with Accounting Principles Generally Accepted in the United States of America (GAAP). Special Assessment Funds are grouped with Debt Service Funds. Operating and capital budgets are required by Utah State law for Proprietary Fund types, although such budgets are not required to be presented in the financial statements. In addition, budgets for Special Assessment Funds are not required by Utah State law.
7. All unexpended appropriations lapse at the end of the budget year. However, unexpended Capital Projects Fund appropriations may be reappropriated by a resolution of the City Council without holding public hearings.

Encumbrances

Encumbrance accounting is not employed by the City.

Investments

Investments in water stock, rights, and capacity are stated at cost. Investments in interest earning deposits are stated at cost plus or minus unamortized premiums or discounts which approximates fair value.

Inventory

The inventories are stated at the lower of cost, determined on the first-in first-out basis, or market.

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NOTES TO FINANCIAL STATEMENTS
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Deferred Charges

Deferred charges represent issuance costs on bonds which are amortized over the life of the issue using the bonds outstanding method, which approximates the interest method.

Interfund Transactions

In the normal course of its operations, the City has various transactions between funds. Various City funds provide a number of services such as administrative, fleet operations, information services, insurance and risk management, etc. to other City funds. Charges are treated as revenues in the fund providing the service and as operating expenses in the fund receiving the service. Non-recurring, nonroutine, or residual equity transfers are accounted for as changes in fund balance. Other transfers are recognized as operating transfers in and out, respectively, by the funds involved. Short-term payables are shown as due to/from other funds. Long-term payables are shown as advances to/from other funds.

Other Depreciable Property

Other depreciable property, including autos, trucks, machinery and equipment, and office furniture and equipment, is stated at cost. Depreciation has been provided on a straight-line method over estimated useful lives.

Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$7,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Wells	25 years
Water Tanks	25 years
Distribution Mains	33 years
Buildings and Structures	20-40 years
Pumps	8 years
Machinery and Equipment	5-10 years
Vehicles	5-15 years
Office Furniture and Equipment	5-10 years
Street Lights and Traffic Signals	30-50 years
Storm Water Improvements	40 years
Pools	30 years
Infrastructure	25 years

Contributions

Certain proprietary fund types receive contributions for aid in construction from various sources. With the July 1,

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NOTES TO FINANCIAL STATEMENTS
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2000 adoption of Statement of Governmental Accounting Standards (SGAS) No. 33, these contributions that were formerly credited directly to contributed capital accounts are now reflected as non-operating revenue. With the July 1, 2001 adoption of SGAS No. 34, amounts that were contributed in prior years and were shown as contributed capital at June 30, 2002, have been reclassified as beginning net assets.

Capital Leases

The City has acquired certain assets under leases which are required by Accounting Principles Generally Accepted in the United States of America to be accounted for as capital leases. A capital lease is one which results in the lessee (the City) obtaining financing for the purchase of the leased asset. The present values of the lease payments at inception of the leases and the corresponding assets are recorded. Governmental fund capital lease transactions are accounted for in the governmental activities portion of the government-wide statements, while those of the proprietary funds are accounted for in their respective funds. The liability is reduced each year by the portion of lease payments representing principal, not interest. The cost of leased assets is amortized over the life of the assets and the amortization expense is included with depreciation expense.

Utility Revenue

Throughout the year, utility revenues in the Water, Electric Utilities, and Storm Water Utilities Funds are recorded when billed. At year end, the fund records, as unbilled receivables and revenue, an amount which approximates revenue from the last meter reading or billing date at year end.

Deferred Revenue

Deferred property tax revenue as of June 30, 2003 consists of property taxes levied for fiscal year 2003-2004 and collected in advance or recorded as a receivable. Deferred special assessment revenue as of June 30, 2003 consists of special assessments levied but not collected or available to pay liabilities of the current period.

Total Columns

The total columns shown on the accompanying fund financial statements are mathematical totals only and do not eliminate inter-fund transactions or include other entries required to present consolidated financial statements. The government-wide financial statements do, however, eliminate most inter-fund transactions and the double counting of revenues and expenses. They are therefore much closer to the consolidated financial statements presented in private sector accounting.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental Fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and are therefore reported as receivables. The \$647,631 in receivables consists of \$500,598 of delinquent property taxes and \$147,033 justice court receivables.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The \$15,295,776 difference consists of \$17,124,633 of capital outlays and \$(1,828,857) of depreciation expense.

Another element of that reconciliation states that "The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The \$1,434,947 difference consists of:

Debt issued or incurred:

Interim Warrants	\$ 426,947
Special Development Bonds	7,131,000
Less Issuance Cost	(150,060)
Amortization of Issuance Costs	8,983
Principal Repayments	(8,808,924)
Difference Between Interest Paid and Interest Expense Accrued	<u>(42,893)</u>
Total Difference Related to the Issuance and Repayment of Debt	<u>\$ 1,434,947</u>

Note 3 - Property Taxes

The property tax revenue of Sandy City is collected and distributed by the Salt Lake County Treasurer as an agent for the City. Utah State laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

- A. By March 1, the City notifies the County Commission to establish a proposed date, time, and place for a tax rate adoption hearing.
- B. By March 31, the County Treasurer settles property taxes charged and collected for the previous year.
- C. By June 8, the County Auditor sends valuation, certified tax rate, and levy worksheet forms to the City.
- D. Before June 22, the City adopts a proposed tax rate and certifies the tax rate with the County Auditor.
- E. Before July 22 (if the City adopts a tax rate higher than the certified tax rate), the county Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.
- F. By August 17, the City adopts the final tax rate and certifies the tax rate with the County Auditor.
- G. Between August 8 and August 22, taxpayers may petition the County Board of Equalization for an adjustment in the taxable value of the real property.

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NOTES TO FINANCIAL STATEMENTS
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- H. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.
- I. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

With the July 1, 2000 adoption of Statement of Governmental Accounting Standards (SGAS) No. 33, more fully described below, Sandy City changed its method of accounting for property taxes. SGAS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, defines a nonexchange transaction as one in which "a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange." For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes, and in accordance with the provisions of the new statement, has now recorded a receivable and a corresponding deferred revenue for the assessed amount of those property taxes as of January 1, 2003. Most of the tax will not be received until the following fiscal year.

Note 4 - Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Detailed accounting records are maintained for each individual fund; however, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for investment purposes.

The City (including all funds and fund types) follows the requirements of the Utah Money Management Act in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a "qualified depository". The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds. The Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

The City's deposits at June 30, 2003 are categorized in the following table to give an indication of the level of risk assumed by the City at year end. Category 1 includes deposits that are insured or collateralized with securities

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held by the City or its agent in the City's name. Category 2 includes deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 are deposits which are uninsured and uncollateralized.

Deposits	Categories			Bank Balance	Carrying Amount
	1	2	3		
Bank Accounts - Sandy City	\$ 100,000	\$ -0-	\$ 1,055,701	\$ 1,155,701	\$ 755,482

The City's investment policies are governed by State statutes. City funds are invested only in the following: (1) negotiable or nonnegotiable deposits of qualified depositories; (2) repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository; (3) commercial paper which is rated P-1 by Moody's Investor Services or A-1 by Standard and Poor's Inc., having a remaining term to maturity of 270 days or less; (4) bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less; (5) negotiable interest bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less; (6) obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds; (7) obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farms Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association; (8) the Utah State Treasurer's Investment Fund; and (9) fixed and variable rate corporate obligations that meet criteria under the Money Management Act.

As of June 30, 2003, the City had no investments requiring risk disclosure. However, the following amounts were held in the Utah State Treasurer's Pool:

Holdings	Carrying Amount	Fair Value
Utah State Treasurer's Pool Account	\$ 44,878,911	\$ 44,943,267

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A summary of restricted and unrestricted cash and cash equivalents at June 30, 2003 is as follows:

	Cash and Cash Equivalents
Unrestricted	\$ 33,756,679
Restricted	12,342,289
Total	\$ 46,098,968
Deposits	\$ 1,155,701
Investments	44,943,267
Total	\$ 46,098,968

Note 5 - Restricted Assets

General Fund - Activity in unexpended State Road funds, during fiscal year 2003, that are required by the Utah State law to be restricted for road construction and maintenance, are summarized as follows:

Balance - July 1, 2002	\$ -0-
Additions:	
Allotments	3,028,933
Reductions:	
Highway Maintenance	3,028,933
Transfers to Capital Projects Fund	-0-
Balance - June 30, 2003	<u>\$ -0-</u>

Debt Service Fund

Pursuant to Utah State law and the bond indentures of the Auto Mall Special Improvement District Special Assessment Bonds, the City has created a Special Improvement Guarantee Fund. The assets of the Special Improvement Guarantee Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$196,000. As of June 30, 2003, the amount held of \$196,000 was in compliance with funding requirements.

Pursuant to Utah State law and the bond indentures of the City Center Special Assessment Bonds, the City has created a Special Improvement District Fund. The assets of the Special Improvement District Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$440,900. As of June 30, 2003, the amount held of \$440,900 was in compliance with funding requirements.

Pursuant to Utah State law and the bond indentures of the South Towne Ridge Special Assessment Bonds, the City has created a Special Improvement District Fund. The assets of the Special Improvement District Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$76,200. As of June 30, 2003, the amount held of \$76,200 was in compliance with funding requirements.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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Pursuant to the 1996A motor fuel excise tax revenue bonding agreement, the City is required to have a debt service reserve of \$975,000. As of June 30, 2003, the City was in compliance with funding requirements with reserves in the General Purpose Debt Service Fund.

Pursuant to bond indentures of the lease revenue bond series 1994B, the City is required to have a debt service reserve of \$232,500. As of June 30, 2003 the City was in compliance with funding requirements with reserves in the General Purpose Debt Service Fund.

Pursuant to the Municipal Building Authority (MBA) of Sandy 1998C Bonding Agreement, the MBA has a debt service reserve fund in the amount of \$748,473 in the General Purpose Debt Fund. As of June 30, 2003, the Municipal Building Authority was in compliance with funding requirements.

Pursuant to the Municipal Building Authority (MBA) of Sandy 1999 Bonding Agreement, the MBA has a debt service reserve fund in the amount of \$841,757 in the General Purpose Debt Fund. As of June 30, 2003, the Municipal Building Authority was in compliance with funding requirements.

Pursuant to the 2000 Motor Fuel Excise Tax Revenue Bonding Agreement, the City is required to have a debt service reserve of \$707,500. As of June 30, 2003, the City was in compliance with funding requirements with reserves in the General Purpose Debt Service Fund.

Capital Projects Fund

Restricted assets represent unexpended receipts which are restricted for use on future capital projects. The changes in restricted balances during fiscal year 2003 are summarized as follows:

	State Road Funds	Park & Trail Fees	Grants & Court Surcharge	Land Purchase	Other	Total
Balance - July 1, 2002	\$ 1,299,106	\$ 847,778	\$ 722,980	\$1,687,459	\$ 133,803	\$ 4,691,126
Additions: Fees & Transfers In	789,766	299,130	430,968	-0-	-0-	1,519,864
Interest Earnings	31,004	14,881	13,205	36,988	-0-	96,078
Reductions: Expenditures & Transfers Out	(639,205)	(554,014)	(396,440)	(2,000)	(126,181)	(1,717,840)
Balance - June 30, 2003	\$ 1,480,671	\$ 607,775	\$ 770,713	\$1,722,447	\$ 7,622	\$ 4,589,228

Business Type (Water) Fund

Pursuant to the Water Revenue Refunding Bond Resolution of 1993, the Water Revenue Refunding Bond Resolution of 1992, and the Water Bond Resolution of 1990, the City is required to maintain a trust account for debt service in the amount of \$1,196,290. At June 30, 2003 the City was in compliance with funding requirements.

Note 6 - External Investment Pool

The City invests in the Public Treasurer's Investment Fund (PTIF) which is an external investment pool administered by the Utah State Treasurer. State agencies, municipalities, counties, and local governments within the State of Utah are allowed to invest in the PTIF. There is no required participation and no minimum balance or

SANDY CITY
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minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended (The Act). The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized which are high-grade securities and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains and losses net of administration fees which is allocated to each participant on the ratio of each participant's share to the total funds in the PTIF. The participant's monthly investment amount is based upon their average daily balance. Twice a year at June 30 and December 31, the investments are valued at fair value for participants (public entities having those year ends) to enable them to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security's fair value in accordance with GASB Statement No. 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2003) and then compare those values to determine an agreed upon fair value of the securities.

As of June 30, 2003 the City had \$44,878,911 invested in PTIF which had a fair value of \$44,943,267. The City has recognized a gain of \$64,356. The table below shows statistical information about the investment pool:

Investment Type	Investment Percentage	Interest Rates	Weighted Average Maturity
Money Market Funds	4.71%	1.05% - 1.25%	1 Day
Certificates of Deposit	2.88	1.35% - 2.00%	26.8 Days
U.S. Government Securities	8.37	1.00% - 2.50%	63.6 Days
Corporate Bonds and Notes	84.04	1.06% - 4.05%	47.8 Days
Total/Average	100.00%	1.63%	46.2 Days

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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Note 7 - Due From/To Other Funds

Short term interfund loans at June 30, 2003 are summarized as follows:

Fund	Due From Other Funds	Due to Other Funds
Proprietary Funds:		
Water Fund	\$ 66,896	\$ -0-
Golf Fund	-0-	66,896
Governmental Funds:		
Redevelopment Agency	63,473	-0-
CDBG Fund	-0-	63,473
Total	\$ 130,369	\$ 130,369

Note 8 - Joint Venture

As of June 30, 2003, the City has a 36.89 percent ownership in Trans-Jordan Cities (the Association). The Association was organized in 1968 as a joint enterprise fund of the Cities of Midvale, West Jordan, Murray, and Sandy, Utah. In 1997 the Association was joined by the City of South Jordan, and the Cities of Draper and Riverton joined in 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping site situated east of Bingham Canyon in Salt Lake County. The percentage interest in operations for each of the entities is as follows:

Sandy City	36.89 %
West Jordan City	26.54
Murray City	10.66
Midvale City	6.21
South Jordan	8.06
Draper	5.30
Riverton	<u>6.34</u>
Total	<u>100.00%</u>

The Association is governed by its own Board of Directors. Under the Organization Agreement, the board is composed of the Mayors, or their appointed representatives, of the seven participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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operating budget and usage fees. The following is a summary of audited financial information of the Association for the year ended June 30, 2003:

Assets:

Current Assets	\$ 6,856,453
Property, Plant and Equipment - Net	6,433,536
Non Current Assets	<u>3,492,585</u>
Total Assets	<u>\$ 16,782,574</u>

Liabilities and Retained Earnings:

Liabilities	\$ 3,774,220
Contributed Capital	2,286,883
Retained Earnings	<u>10,721,471</u>
Total Liabilities and Retained Earnings	<u>\$ 16,782,574</u>

Income Statement:

Operating Revenue	\$ 4,892,341
Operating Expenses	<u>4,741,550</u>
Operating Income (Loss)	150,791
Non-Operating Income	<u>834,540</u>
Net Income	<u>\$ 985,331</u>

The City paid \$568,956 to the Association for land fill costs during fiscal year 2003. Complete financial statements for the Association may be obtained at the following address:

Trans Jordan City Landfill
10873 S.7200 W.
South Jordan, Utah 84095

Note 9 - Investment in Water Stock, Rights, and Capacity

The Water Fund had the following investments in water stock, rights, and capacity at June 30, 2003:

Water Stock:	<u>Shares</u>	<u>Cost</u>
Bell Canyon Irrigation Company	1,832	\$ 441,871
Cahoon and Maxfield Irrigation Company	50	1,856
Draper Irrigation Company	639	512,100
East Jordan Irrigation Company	485	33,160
Granite Water Company	4	3,600
Last Chance Ditch Company	488	26,063
Little Cottonwood Water Company	11,358	113,580
Nickle Irrigation Company	920	63,181
Sandy Canal Company	1,145	1,149,453
Sandy Irrigation Company	1,551	723,020

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Water Stock (Continued):	<u>Shares</u>	<u>Cost</u>
South Despain Ditch Company	33	20,041
Tanner Ditch Company	2	450
Union East Jordan Irrigation Company	790	45,446
Welby Jacob Water Users Company	10	10,000
Provo Reservoir Water Users Company	48	710,178
Provo Bench Canal and Irrigation Company	1	27,975
North Jordan Irrigation Company	84	<u>199,500</u>
Total Water Stock		4,081,474
Water Rights - Thompson and Lym Ditches		38,581
Water Capacity		<u>9,916,680</u>
Total Water Stock, Rights and Capacity		<u><u>\$14,036,735</u></u>

Note 10 - Capital Assets

The following two tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2003:

Primary Government

Government Activities:

Capital Assets, Not Being Depreciated:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 186,719,656	\$ 537,422	\$ -0-	\$ 187,257,078
Construction in Progress	7,546,673	11,095,051	1,871,589	16,770,135
Total Capital Assets, Not Being Depreciated	<u>194,266,329</u>	<u>11,632,473</u>	<u>1,871,589</u>	<u>204,027,213</u>

Capital Assets, Being Depreciated:

Buildings	22,790,717	855,177	-0-	23,645,894
Non-Building Imprv	8,546,601	85,864	-0-	8,632,465
Machinery & Equip	4,543,378	1,413,224	2,469	5,954,133
Autos & Trucks	13,783,760	1,057,511	841,593	13,999,678
Street Lights	7,954,717	351,383	-0-	8,306,100
Storm Water	15,319,208	599,748	-0-	15,918,956
Infrastructure	<u>131,504,551</u>	<u>5,444,543</u>	<u>-0-</u>	<u>136,949,094</u>

Total Capital Assets being depreciated	204,442,932	9,807,450	844,062	213,406,320
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Less Accumulated Depreciation:	46,385,838	3,422,184	785,524	49,022,498
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Total Capital Assets, Being Depreciated, Net	<u>158,057,094</u>	<u>6,385,266</u>	<u>58,538</u>	<u>164,383,822</u>
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Governmental Activities Capital Assets, Net	<u><u>\$ 352,323,423</u></u>	<u><u>\$ 18,017,739</u></u>	<u><u>\$ 1,930,127</u></u>	<u><u>\$ 368,411,035</u></u>
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SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Capital Assets (Continued)	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 6,450,363	\$ -0-	\$ 5,068	\$ 6,445,295
Construction in Progress	3,807,441	5,716,061	2,918,640	6,604,862
Total Capital Assets, Not Being Depreciated	10,257,804	5,716,061	2,923,708	13,050,157
Capital Assets, Being Depreciated:				
Buildings	3,122,867	-0-	-0-	3,122,867
Non-Building Imprv	2,709,544	-0-	-0-	2,709,544
Main Lines	50,118,255	2,853,925	-0-	52,972,180
Wells	4,301,260	1,225,672	-0-	5,526,932
Storage Tanks	9,038,607	-0-	-0-	9,038,607
Pump Equipment	2,535,715	-0-	-0-	2,535,715
Pool	605,364	-0-	-0-	605,364
Autos & Trucks	12,928	-0-	-0-	12,928
Machinery & Equip	641,824	29,141	-0-	670,966
Total Capital Assets being depreciated	73,086,364	4,108,738	-0-	77,195,103
Less Accumulated Depreciation:	31,741,156	2,421,798	-0-	34,162,954
Total Capital Assets, Being Depreciated, Net	41,345,208	1,686,940	-0-	43,032,149
Business-Type Activities Capital Assets, Net	\$ 51,603,012	\$ 7,403,001	\$ 2,923,708	\$ 56,082,306

Depreciation expense for the year ended June 30, 2003 for governmental and business-type activities are shown in the following table.

Governmental Activities:

General Government	\$ 195,780
Police & Animal Control	119,790
Fire	133,261
Public Works	143,126
Parks, Landscapes and Cemetery	418,368
Community Development	41,592
Economic Development	6,692
Recreation and Cultural Events	88,264
Electric Utility	282,412
Storm Water Utility	399,572
Total Depreciation Expense - Governmental Activities	<u>\$ 1,828,857</u>

Business-Type Activities

Alta Canyon Sports Center	\$ 156,518
Water	2,265,281
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,421,799</u>

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Note 11 - Long-term Obligations

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds are included in the accounts of such funds. All other long-term obligations of the City are accounted for in the Governmental Activities of the government-wide statements. The following table summarizes changes in long-term obligations for the year ended June 30, 2003.

	Rate (%)	Amount of Original Issue (bonds only)	Balance June 30, 2002	Additions	Retirements	Balance June 30, 2003	Due Within One Year
<u>Governmental Activities</u>							
General Obligation Bonds							
General Obligation Bonds	3.60 to 5.50	\$ 6,250,000	\$ 5,735,000	\$ -0-	\$ 480,000	\$ 5,255,000	\$ 505,000
Revenue Bonds							
1994 Building Lease	4.20 to 6.40	2,325,000	1,270,000	-0-	190,000	1,080,000	205,000
1994 Redevelopment	4.60 to 6.55	3,420,000	1,205,000	-0-	1,205,000	-0-	-0-
1996 Motor Fuel Excise Tax	3.75 to 4.85	9,750,000	5,435,000	-0-	990,000	4,445,000	1,035,000
1998C MBA Lease	3.80 to 4.80	7,840,000	7,525,000	-0-	180,000	7,345,000	195,000
1999 MBA Lease	4.30 to 5.30	9,780,000	9,210,000	-0-	325,000	8,885,000	340,000
2000 Motor Fuel Excise Tax	4.25 to 5.25	7,075,000	6,025,000	-0-	540,000	5,485,000	565,000
2001A MBA Escrow	4.71	600,000	490,000	-0-	115,000	375,000	120,000
2002 Storm Water Revenue	3.00 to 5.25	10,180,000	10,180,000	-0-	480,000	9,700,000	550,000
Interim Warrants			1,533,756	426,947	1,960,703	-0-	-0-
Special Development Bonds							
2002 Auto Mall Refunding	2.73 to 4.83	1,960,000	-0-	1,960,000	-0-	1,960,000	37,000
2002A Parking Facility	2.65 to 4.75	4,409,000	-0-	4,409,000	-0-	4,409,000	376,000
2002B South Towne Ridge Road	2.80 to 4.80	762,000	-0-	762,000	-0-	762,000	65,000
1993 Auto Mall	4.00 to 7.20	2,840,000	1,975,000	-0-	1,975,000	-0-	-0-
Notes Payable							
HUD Section 108 Loan	LIBOR + .2%	2,515,000	2,140,000	-0-	95,000	2,045,000	100,000
Equipment Lease							
Information Leasing	4.29	1,320,000	273,221	-0-	273,221	-0-	-0-
Long-Term Compensated Absences							
			721,100	88,074	-0-	809,173	-0-
Internal Service Fund Debt							
Compensated Absences			1,193,399	92,985	-0-	1,286,384	-0-
Equipment Lease Purchase	2.70	345,300	-0-	345,300	-0-	345,300	82,887
Total Governmental Long-Term Obligations		\$ 71,371,300	\$ 54,911,476	\$ 8,084,306	\$ 8,808,924	\$ 54,186,857	\$ 4,175,887
<u>Business-Type Activities</u>							
2002B Sales Tax Revenue (Golf)	3.00 to 5.00	\$ 4,550,000	\$ -0-	\$ 4,550,000	\$ -0-	\$ 4,550,000	\$ 150,000
1993 Water Refunding	4.00 to 5.40	8,890,000	7,585,000	-0-	785,000	6,800,000	825,000
Total Business-Type Long-Term Obligations		13,440,000	7,585,000	4,550,000	785,000	11,350,000	975,000
Total Government Wide Long-Term Obligations		\$ 84,811,300	\$ 62,496,476	\$ 12,634,306	\$ 9,593,924	\$ 65,536,857	\$ 5,150,887

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

The annual debt requirements to maturity, including principal and interest, as of June 30, 2003 are listed in the following tables:

Year Ending June 30	Governmental Activities							
	General Obligation Bonds		Revenue Bonds		Special Assessment Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 505,000	\$ 255,139	\$ 3,010,000	\$ 1,757,593	\$ 478,000	\$ 287,560	\$ 100,000	\$ 134,586
2005	525,000	230,929	3,115,000	1,623,729	635,000	276,603	110,000	127,933
2006	555,000	205,140	2,710,000	1,482,398	655,000	256,864	115,000	120,749
2007	585,000	177,341	3,295,000	1,330,455	679,000	234,165	125,000	113,026
2008	615,000	147,334	2,535,000	1,203,666	703,000	208,471	130,000	104,770
2009-2013	2,470,000	248,158	9,810,000	4,363,478	3,981,000	566,880	820,000	373,507
2014-2018	-0-	-0-	9,345,000	2,112,224	-0-	-0-	645,000	69,863
2019-2023	-0-	-0-	2,930,000	235,920	-0-	-0-	-0-	-0-
Subtotal	<u>\$ 5,255,000</u>	<u>\$ 1,264,041</u>	<u>36,750,000</u>	<u>\$ 14,109,463</u>	<u>\$ 7,131,000</u>	<u>\$ 1,830,543</u>	<u>\$ 2,045,000</u>	<u>\$ 1,044,434</u>
Less Unamortized Premiums, Discount, and Costs			141,077					
Net Debt			<u><u>\$ 36,608,923</u></u>					

Year Ending June 30	Governmental Activities (Continued)				Business Activities	
	Capital Leases		Totals		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 82,887	\$ 9,349	\$ 4,175,887	\$ 2,444,227	\$ 975,000	\$ 538,195
2005	85,151	7,085	4,470,151	2,266,279	1,025,000	490,810
2006	87,450	4,786	4,122,450	2,069,937	1,075,000	440,110
2007	89,811	2,425	4,773,811	1,857,412	1,130,000	385,908
2008	-0-	-0-	3,983,000	1,664,241	1,185,000	327,515
2009-2013	-0-	-0-	17,081,000	5,552,023	3,180,000	912,673
2014-2018	-0-	-0-	9,990,000	2,182,087	1,225,000	544,710
2019-2023			2,930,000	235,920	1,555,000	202,375
Subtotal	<u>\$ 345,299</u>	<u>\$ 23,645</u>	<u>51,526,299</u>	<u>\$ 18,272,126</u>	<u>11,350,000</u>	<u>\$ 3,842,296</u>
Less Unamortized Premiums, Discount, and Costs			141,077		238,763	
Net Debt			<u><u>\$ 51,385,222</u></u>		<u><u>\$ 11,111,237</u></u>	

General Obligation Bonds

On December 15, 1995, the City issued \$6,250,000 in General Obligation Refunding Bonds (series 1995) with a maturity date of December 15, 2011 and interest rates of 3.60 to 5.50 percent. The bonds were issued for the purpose of advance refunding of the City's \$8,065,000 Public Building and Refunding Bonds (series 1991) which were originally issued for (i) the construction of a City hall/police station; (ii) the refunding of certain certificates of participation; and (iii) the refunding of certain general obligation bonds. The bonds maturing on or prior to December 15, 2005, are not subject to call and redemption prior to maturity, while those maturing on or after December 15, 2006, are subject to redemption at the option of the City on December 15, 2005, and on any date thereafter. The redemption price is equal to 100% of the principal amount plus accrued interest.

Special Improvement Bonds with Governmental Commitment

Principal and interest on special improvement bonds are paid from special assessment collections. A separate fund, the Special Improvement Debt Service Fund, has been established to contain the receipts derived by the City from the special assessments levied upon the property included in the special improvement districts together with

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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interest on the assessments and, if necessary, additional funds transferred by the City to the debt service fund. Under the terms of the special improvement bond resolutions and state law, the City has agreed to maintain a special improvement guarantee account for the benefit of the bondholders.

On September 1, 1993, the City issued \$2,840,000 in Special Assessment Bonds at rates from 4.00 to 7.20 percent with a final maturity date of September 1, 2012. This bond, however, was refinanced during the 2003 fiscal year and replaced with the 2002 Auto Mall Refunding Bonds. The Special Improvement District No. 90-1 (Auto Mall) was originally established by the City for the purpose of making improvements within the District. Assessments have been levied against the property included within the district to finance the cost of the improvements, all in conformance with and subject to the requirements of the Improvement District Act.

On September 1, 2002, the City issued \$1,960,000 in Special Assessment Refunding Bonds (Auto Mall) at rates from 2.73 to 4.83 percent with a final maturity date of September 1, 2012. This bond replaced the bond listed above.

On December 19, 2002, the City issued \$4,409,000 in Special Assessment Bonds at rates from 2.65 to 4.75 percent with a final maturity date of December 15, 2012. The Special Improvement District No. 2001-1 (Parking Structure) was established by the City for the purpose of acquisition of land and rights of way and construction of parking and plaza improvements.

On December 19, 2002, the City issued \$762,000 in Special Assessment Bonds at rates from 2.80 to 4.80 percent with a final maturity date of December 15, 2012. The Special Improvement District No. 2000-1 (South Towne Ridge Road) was established by the City to acquire land and rights of way, to construct roads, and to install water, sewer, and storm drain improvements.

The primary source of repayment of the special assessment debt is assessments against the benefitted property owners. This debt is secured by liens on assessed property and is also backed by the full faith and credit of the City as additional security (see debt service fund reserve requirement in Note 5).

Motor Fuel Bonds

On December 1, 1996 and March 7, 2000, the City issued \$9,750,000 and \$7,075,000, respectively, in Motor Fuel Excise Tax Revenue Bonds. The series 1996 interest rates vary from 3.75 to 4.85 and have a final maturity of July 15, 2006, while the series 2000 bonds bear interest at 4.25 to 5.25 percent and have a final maturity of January 15, 2010. Both bonds were issued to finance the construction or repair of streets located within the City boundaries. The City has pledged motor and special fuel excise taxes (Class C road funds) as collateral for these revenue bonds. The series 1996 bonds maturing on or prior to July 15, 2003 are not subject to call and redemption prior to maturity, while those maturing on or after January 15, 2004, are callable for redemption prior to maturity at the option of the City on January 15, 2004, and on any date thereafter. The redemption price is equal to 100% of the principal amount plus accrued interest. The series 2000 bonds are not callable for redemption prior to maturity.

Water Bonds

On August 3, 1993, the Water Utility issued \$8,890,000 in Revenue Refunding Bonds (series 1993A) at rates from 4.00 to 5.40 percent with a final maturity date of July 1, 2009. The bonds were issued for the purpose of (i) advance refunding and defeasing a portion of the outstanding 1990 Bonds, (ii) retiring portions of the City's water revenue bond anticipation notes; (iii) financing the acquisition and construction of various water projects and (iv) funding the City's withdrawal from the Salt Lake County Water Conservancy District and annexation into the Metropolitan Water District of Salt Lake City.

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NOTES TO FINANCIAL STATEMENTS
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Under the terms of the bonding, the City irrevocably pledged the net revenues of the Water Utilities to the payment of the bonds and covenanted that rates will be established to yield net revenues equal to at least 1.25 the debt service to become due in the next fiscal year.

Municipal Building Authority Bonds

On June 8, 1994, the Municipal Building Authority issued \$2,325,000 in Lease Revenue Bonds (series 1994B) at rates from 4.20 to 6.40 percent with a final maturity date of May 15, 2008. The 1994B bonds were issued (i) to finance the acquisition of an educational facility (University of Utah Continuing Education Building Project), (ii) to fund a Debt Service Reserve Fund, (iii) to pay capitalized interest, and (iv) to pay costs of issuance. The 1994B Bonds are subject to optional redemption on any interest payment date on and after May 15, 2004 at the election of the City. The redemption price is equal to 100% of the principal amount plus accrued interest.

On December 1, 1998, the Municipal Building Authority issued \$7,840,000 in Lease Revenue Bonds (series 1998C) at rates from 3.80 to 4.80 percent with a final maturity date on June 15, 2020. The series 1998C bonds were issued for the purpose of financing the costs of the acquisition and construction of a public amphitheater and other related improvements on land owned by the City. The proceeds from the sale of the series 1998C Bonds were also used for the purpose of funding a deposit to the debt service fund, paying capitalized interest on a portion of the series 1998C bonds and paying necessary issuance costs. The bonds maturing prior to June 15, 2009 are not subject to call and redemption prior to maturity, while those maturing on or after June 15, 2009, are subject to redemption at the election of the City on June 15, 2008 and on any date thereafter. The redemption price is equal to 100% of the principal amount plus accrued interest.

On December 7, 1999, the Municipal Building Authority issued \$9,780,000 in Lease Revenue Bonds (series 1999) at rates from 4.30 to 5.30 percent with a final maturity date on June 15, 2020. The bonds were issued for the purpose of acquiring land for Quail Hollow Park, and constructing facilities at Lone Peak Park. The bonds maturing prior to June 15, 2010 are not subject to call and redemption prior to maturity, while those maturing on or after June 15, 2011, are subject to redemption at the election of the City on June 15, 2010 and on any date thereafter. The redemption price is equal to 100% of the principal amount plus accrued interest.

On March 6, 2001, the Municipal Building Authority issued \$600,000 in Lease Revenue Bonds (2001A) at an interest rate of 4.71 percent with a final maturity date on March 1, 2006. The bonds were issued for the purpose of constructing a fire station.

Redevelopment Agency Bonds

On December 1, 1994, the Redevelopment Agency issued \$3,420,000 of Tax Increment Revenue Bonds (series 1994A) with interest rates of 4.60 to 6.55 percent and a final maturity on February 1, 2005. The 1994A bonds were issued (i) to finance the construction of a road and accompanying improvements, (ii) to fund a Debt Service Reserve Fund, and (iii) to pay the costs of issuance. The 1994A bonds are subject to optional redemption on any Interest Payment Date on and after February 1, 2002 at the election of the City. The redemption price is equal to 101% of the principal amount plus accrued interest.

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds are special limited obligations of the City that are backed by the sales and use

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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taxes levied by the City under the Local Sales and Use Tax Act.

On February 15, 2002, the City issued \$10,180,000 in Sales Tax Revenue Bonds (series 2002) at rates from 3.00 to 5.25 percent with a final maturity date of September 15, 2016. The bonds were issued to finance the costs associated with acquiring, constructing and equipping certain storm drain improvements and paying the costs of issuing the bonds. The bonds maturing on or prior to September 15, 2011 are not subject to redemption prior to maturity, while those maturing on or after September 15, 2012 are subject to redemption at the election of the City on March 15, 2012 and on any date thereafter. The redemption price is equal to 100% of the principal amount plus accrued interest.

On July 1, 2002, the City issued \$4,550,000 in Sales Tax Revenue Bonds (series 2002B) at rates from 3.00 to 4.50 percent with a final maturity date of September 15, 2014. The bonds were issued to finance costs associated with acquiring, constructing and equipping a golf course (River Oaks) and park improvements, and paying the costs of issuing the bonds. The bonds maturing on or prior to September 15, 2012 are not subject to redemption prior to maturity, while those maturing on or after September 15, 2012 are subject to redemption at the election of the City on September 15, 2012 and on any date thereafter. The redemption price is equal to 100% of the principal amount plus accrued interest.

Notes Payable

On June 6, 1996, the City issued a \$2,515,000 note, guaranteed by HUD, for the creation of a Senior Citizen's Center on 9310 South 1300 East. Interest on the note payable is at a variable rate. For the purpose of estimating debt service requirements, interest rates between 5.870 and 7.030 percent have been derived. The date of maturity on the note payable is August 1, 2014.

Defeasance of Debt

During fiscal year 1986, the City issued the 1985 Series Water Revenue Refunding Bonds. The proceeds of these bonds were used to defease the entire outstanding balances of the 1958, 1968, 1970, and 1974 series revenue bonds. As of June 30, 2003 the defeased debt has been totally extinguished.

During fiscal year 1992, the City issued \$1,275,000 in water revenue refunding bonds with an average interest rate of 5.98 percent. Such bonds were issued to advance refund \$1,190,000 of the outstanding 1985 Series bonds with an average interest rate of 8.71 percent and to provide resources to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1985 Series bonds. As a result, the 1985 Series bonds are considered to be defeased and the liability for those bonds has been removed from the Water Fund. As of June 30, 2003, the outstanding balance of bonds has been extinguished.

During fiscal year 1994, the City issued \$8,890,000 in water refunding bonds with an average interest rate of 4.90 percent. Such bonds were issued to advance refund \$7,690,000 of the \$11,055,000 outstanding 1990 series bonds. At June 30, 2003, the outstanding balance of bonds which were considered extinguished was \$7,690,000. The reacquisition price exceeded the net carrying amount of the old debt by \$970,394. This amount is being netted against the new debt and amortized over the new debt's life, which is the same as the life of the refunded debt.

During fiscal year 1996, the City issued \$6,250,000 in General Obligation Refunding Bonds. Such bonds were

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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issued to advance refund \$5,585,000 of the \$7,815,000 outstanding 1991 Series Bonds. At June 30, 2003, the balance of those bonds which were considered extinguished was \$5,585,000.

Note 12 - Reserved Fund Equity

The changes to Reserved Fund Balance during fiscal year 2003 are as follows:

	Governmental Activities			Business-Type Activities
	Debt Service	Capital Projects	State Road Funds	
Reserved Fund Balance, July 1, 2002	\$ 4,105,730	\$ 13,501,719	\$ 1,372,464	\$ 1,196,290
Transfers To (From) Reserved Fund Balance	112,600	(8,347,828)	108,207	293,107
Reserved Fund Balance, June 30, 2003	\$ 4,218,330	\$ 5,153,891	\$ 1,480,671	\$ 1,489,397

Note 13 - Industrial Development Revenue Bonds

The City has issued industrial development revenue bonds for the benefit of various developers to aid in building a commercial base within Sandy City limits. Principal and interest payments of such industrial development revenue bonds are to be made entirely by the various developers. The City will not become liable for these bonds even if developers can no longer make the payments. Consequently, the following bonds and their related interest are not shown as a liability in the accompanying financial statements.

Description of Industrial Revenue Bonds Issued	Year Issued	Maturity Date	Original Amount	Total Retired	Outstanding at 6/30/03
Boyer 106 th S. Associates Project	1985	12/01/06	\$ 4,000,000	\$ 2,185,000	\$ 1,815,000
DREE Project	1985	11/15/10	8,770,000	3,305,000	5,465,000
South Towne Hotel Associates Project	1985	11/20/10	9,350,000	3,790,000	5,560,000
H. Shirl Wright Project	1986	12/15/16	9,000,000	4,100,000	4,900,000
Total Industrial Revenue Bonds Issued for Developers			\$ 31,120,000	\$13,380,000	\$ 17,740,000

Note 14 - Pension Plans

Plan Description

The State of Utah requires all agencies with public employees to contribute to Utah State Retirement Systems (USRS). Based upon the type of public employee and their retirement elections, the City contributes to various plans within the USRS: the Local Governmental Contributory Retirement System, the Local Governmental Non-Contributory Retirement System, the Public Safety Retirement System for employers without Social Security coverage, the Firefighters Retirement System which is for employers without Social Security coverage, all of which are cost-sharing

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

multiple-employer defined benefit pension plans administered by the USRS. USRS provide retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended which also establishes the Utah State Retirement Office. Chapter 49 places the Systems, the Office and related plan and programs under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the systems and plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Funding Policy

Plan members in the Local Government Contributory Retirement System are required to contribute based upon participating employees' annual salaries. The contribution rates in effect from July 1, 2002 through June 30, 2003 are as follows:

	Employee Paid	Employee Contributions Paid by City (100% Vested)	City's Matching Contributions (Vested Upon Retirement)	Total Contributions
Local Government Contributory Retirement System	N/A	6.00%	4.68%	10.68%
Local Government Non-Contributory Retirement System	N/A	N/A	8.69	8.69
Public Safety Retirement System for employers Without Social Security coverage	N/A	10.50	7.34	17.84
Firefighters' Retirement System for employers Without Social Security coverage	N/A	7.83	N/A	7.83

The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Trend Information

The following contributions have been made in the past three years and were equal to the required contributions for each fiscal year ending on June 30th:

	2001	2002	2003
Local Governmental Contributory Retirement System	\$ 136,231	\$ 119,035	\$ 114,081
Local Governmental Non-Contributory Retirement System	796,801	685,151	685,151
Public Safety Retirement System for employers without Social Security coverage	797,646	774,410	839,701
Firefighters Retirement System for employers without Social Security coverage	276,657	276,482	274,157
Total	\$ 2,007,335	\$ 1,855,078	\$ 1,913,090

Note 15 - Deferred Compensation Plans

The City offers its employees a 457 deferred compensation plan and 401(K) defined contribution tax-sheltered annuity plan.

Both plans are provided for within the Internal Revenue Code. The plans, assets, and associated liabilities are administered by external agencies: ICMA Retirement Corporation and Utah State Retirement Systems (USRS). The plans, available to all City employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All ownership and associated interest of the plan is held solely for the benefit of the employees. As a result, the City does not carry the assets or associated liabilities in the City's financial statements.

The City contributes to a 401(K) plan for and on behalf of its public employees, elected and appointed officials, City Council members, temporary, and seasonal employees. The City Council authorizes a percentage based upon an employees base wage to be contributed into deferred compensation plans: 17.95% for full-time employees, 8.05% for council members, and 7.50% for temporary and seasonal employees. As noted previously, the USRS deferred compensation rate is actuarially determined by the State depending upon the employee classification. The required contribution rates to the 401(K) plan equals the City Council authorized amount less the USRS mandated rate and are as follows: Public Employees covered under the Non-Contributory State Retirement 9.26%, Public Employees covered under the Contributory State Retirement 7.27%, Elected/Appointed Officials 17.95%, Police Officers .11%, Firefighters 10.12%, Temporary/Part-time 7.5%, and City Council members 8.05%. The City's total contributions were \$1,811,830 which is 8.2% of the \$22,205,064 in total payroll for covered employees for the year ended June 30, 2003. The City's and employee's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. In addition, all employees are eligible to participate in an elective deferral plan which permits them to defer a portion of their salary until future years. The total contributions made by the employees were \$724,604 for the year ended June 30, 2003. At June 30, 2003 the City has made all payments to the plan administrator to satisfy this funding requirement.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Note 16 - Post Employment Benefits

The City allows terminated or retired employees to continue their health insurance benefits for a period of 18 months after the employee's termination or retirement date. These employees are required to pay the full cost of such extended health insurance coverage. As of June 30, 2003 Seven (7) employees had elected to participate in this post-employment benefit program. The administrative costs to the City of such benefits were not significant for the year ended June 30, 2003.

Note 17 - Vacation and Sick Leave

The City permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements.

Employees can accrue vacation days at various rates depending upon length of service. There are no requirements that vacation leave be taken, but the maximum permissible accumulation is 320 hours except for firemen who can accumulate 480 hours. At termination, employees are paid for any unused accumulated vacation leave.

The Payroll Management Fund, an internal service fund, contain the City's entire compensated absences liability except for the long-term liability portion of the General Fund. The long-term liability portion in the General Fund is considered to be any amount in excess of what an employee can accrue in one year. As of June 30, 2003, this unfunded amount is \$809,173.

Employees earn sick leave at the rate of 12 days per year. Unused sick leave may be carried forward to subsequent years until a maximum of 480 hours is accumulated.

Note 18 - Commitments and Contingencies

The City is a defendant in various claims and suits arising from the ordinary course of business. The City's legal counsel believes that it has meritorious defenses and that any liability resulting from these matters would not be material. Accordingly, no provision for loss related to litigation has been made in the accompanying financial statements.

Commitments for major construction and capital improvements projects totaled \$3,267,235 at June 30, 2003.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Note 19 - Operating Transfers In/Out

During the course of normal operations, the City has operating transfers between the various funds. Operating transfers in and out for the year ended June 30, 2003 are summarized as follows:

Transfers in to :								
	Community			Electric		Capital		Total
	General	Arts	Recreation	Utilities	Debt Service	Projects	Golf	
Transfers out from the following funds:								
General	\$ -0-	\$ 413,093	\$ 187,307	\$ 554,628	\$ 1,620,814	\$ 1,312,641	\$ -0-	\$ 4,088,483
Redevelopment Agency	-0-	-0-	-0-	-0-	2,939,613	-0-	334,187	3,273,800
Community Development	-0-	-0-	-0-	-0-	235,950	-0-	-0-	235,950
Debt Service	-0-	-0-	-0-	-0-	62,500	-0-	-0-	62,500
Capital Projects	950,936	-0-	-0-	50,000	393,728	-0-	-0-	1,394,664
Storm Water Utilities	-0-	-0-	-0-	-0-	897,807	-0-	-0-	897,807
Information Services	-0-	-0-	-0-	-0-	100,000	-0-	-0-	100,000
Equipment Management	-0-	-0-	-0-	-0-	-0-	17,048	-0-	17,048
Total Transfers in	\$ 950,936	\$ 413,093	\$ 187,307	\$ 604,628	\$ 6,250,412	\$ 1,329,689	\$ 334,187	\$ 10,070,252

Note 20 - General Fund Administrative Charges

The General Fund charges certain special revenue funds and proprietary funds for various services. These transactions have been recorded as revenue and expenses or expenditures to the funds as if they involved organizations external to the City. The amounts charged to those funds during fiscal year 2003 are as follows:

	General	Public Works	
	Government	Administration	Total
Special Revenue Funds:			
Redevelopment Agency	\$ 45,090	\$ 971	\$ 46,061
Storm Water Utilities	100,541	-0-	100,541
Enterprise Funds:			
Alta Canyon Sports Center	26,128	-0-	26,178
Water	566,335	-0-	566,335
Waste Collection	90,354	12,019	102,373
Golf	12,000	-0-	12,000
Internal Service Funds:			
Fleet Operations Fund	99,021	21,867	120,888
Information Services Fund	58,916	192	59,108
Total	\$ 998,385	\$ 35,049	\$ 1,033,434

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Note 21 - Risk Management

The City is exposed to various risks of loss including torts; workers compensation claims; theft of, damage to or destruction of assets; errors and omissions; and natural disasters. Insurance coverages for these risks were provided by several commercial insurance carriers. The general liability policy has a \$1,000,000 self insured retention with a \$7,000,000 limit per occurrence. Workers compensation claims are covered by the Workers Compensation Fund. The City commercially insures real property and also insures fleet equipment with individual values in excess of \$40,000 and self-insures all other fleet equipment. For the last 3 years, claim settlements have not exceeded insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been Incurred But Not Reported (IBNR). The liability for claims and judgements is reported in the Insurance & Risk Management Fund and has been expensed in the current period. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended <u>June 30, 2003</u>	Year Ended <u>June 30, 2002</u>
Unpaid Claims, Beginning of Fiscal Year	\$877,853	\$ 832,958
Incurred Claims & Changes in Estimates (Including IBNR's)	177,362	281,431
Claims Payments	<u>(262,579)</u>	<u>(236,536)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 792,636</u>	<u>\$ 877,853</u>

Note 22 - Sandy City Redevelopment Agency

For the year ending June 30, 2003 the following activity occurred in the City's Redevelopment Agency:
Tax increment collected by the Agency for each project area:

South Towne	\$ 1,357,173
Civic Center South	1,168,705
Civic Center North	<u>974,409</u>
	<u>\$ 3,500,287</u>
Tax increment paid to other taxing agencies	\$48,626
Outstanding loans which financed RDA projects	\$16,737,566
Amounts expended for:	
Installation of public utilities or other public improvements	\$863,524
Administrative costs	\$ 209,947

Note 23 - Related Party Transactions

During the year ended June 30, 2003, the Water Utility Fund (an enterprise fund) paid \$2,616,376 for water purchased from Metropolitan Water District of Salt Lake City and Sandy, which is a related entity of the City.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Note 24 - Modified Approach for Infrastructure

The condition of the road pavement is measured using the Stantec Pavement Management Application (PMA), which is based on a weighted average of nine distress factors found in pavement surfaces (cracking, raveling, chuck holes, patching, edge cracking, rutting/shoving, bleeding, excessive crown, and distortion). The PMA uses a measurement scale based on a condition index ranging from zero to 10 for pavement in perfect condition. The condition index is used to classify roads in good or better condition (6.5 - 10), fair condition (4.0 - 6.4), and substandard condition (less than 4.0). The City's policy is to maintain at least 80 percent of its street system at a good or better condition and have no more than 10 percent in a substandard condition. Condition assessments are determined every year.

The following schedule only presents the information for the current and previous year. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the City implemented these new standards in 2003, and did not collect this information for prior years. The City will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

Condition Rating of City's Street System

	Percentage of Road-Way System in Good or Better Condition			Percentage of Road-Way System in Substandard Condition		
	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Main Arterial	91.4%	91.1%	N/A	4.0%	4.0%	N/A
Arterial	80.9	79.7	N/A	4.9	4.5	N/A
Secondary	89.1	82.4	N/A	1.9	4.0	N/A
Overall System	88.6%	85.8%	N/A	3.5%	4.1%	N/A

	Comparison of Needed to Actual Maintenance/Preservation (In Thousands)	
	<u>2003</u>	
Main Arterial		
Needed	\$	3,355
Actual		3,270
Arterial		
Needed		712
Actual		694
Secondary		
Needed		747
Actual		728
Overall System		
Needed		4,814
Actual		4,692
Difference	\$	<u>(122)</u>

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Note 25 - Changes in Accounting Policy

Effective July 1, 2003, Sandy City adopted the provisions of SGAS No 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, SGAS No. 37 *Basic Financial Statements and Managment's Discussion and Analysis for State and Local Governments: Omnibus*, and SGAS No. 38 *Certain Financial Statement Disclosures*. The major changes required by these three statements are (1) adding a management's discussion and analysis as required supplementary information, (2) changing from "combined" financial statements that do not eliminate inter-fund transactions to basic financial statements that do eliminate most inter-fund transactions, (3) capitalizing and depreciating infrastructure assets retroactively to at least fiscal year 1980, (4) capitalizing and depreciating retroactively those assets formerly reported in a general capital asset account at cost without any depreciation shown on the statements, (5) adding an additional statement for governmental funds that report transactions on a full accrual basis with reconciliation to statements prepared using modified accrual basis of accounting, (6) adding information that compares original adopted budget to final amended budget, (7) providing more detail in the notes to the financial statement, and (8) changing the format and captions of many statements.

Required Supplementary Information

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Major Governmental Funds

General Fund - The General Fund is the principal fund of the City and is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund. The General Fund accounts for the normal activities of the City, (police, fire, public works, parks, community development and general government, etc.). These activities are funded principally by property taxes, sales and use taxes, franchise taxes, licenses and permits.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the City is obligated in some manner for the payment.

Storm Water Utilities Fund - This fund is used to account for the City's revenues and capital expenditures associated with drainage for storm water run off.

The Capital Projects (Capital Improvements) Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and special revenue funds. The principal source of funding is contributions from developers restricted for capital construction plus operating transfers from the General Fund.

SANDY CITY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2003
With Comparative Totals for 2002

	General Fund	Storm Water	Debt Service	Capital Projects	Other Governmental Fund	Total Governmental Funds	
						2003	2002
Revenues:							
Taxes:							
General Property Taxes	\$ 6,778,104	\$ -0-	\$ 265,923	\$ -0-	\$ 3,500,288	\$ 10,544,315	\$ 10,736,323
General Sales & Use Taxes	14,569,744	-0-	-0-	-0-	-0-	14,569,744	15,908,188
Franchise Taxes	4,299,404	-0-	-0-	-0-	-0-	4,299,404	4,501,770
Motor Vehicle Fee	918,730	-0-	-0-	-0-	-0-	918,730	867,215
Total Taxes	26,565,982	-0-	265,923	-0-	3,500,288	30,332,193	32,013,496
Special Assessments	-0-	-0-	388,837	-0-	6,398	395,235	260,399
Innkeeper Fees	-0-	-0-	167,963	-0-	-0-	167,963	220,886
Licenses & Permits	1,685,082	-0-	-0-	-0-	-0-	1,685,082	1,690,617
Inter-Governmental Revenue	3,139,964	-0-	-0-	300,000	553,358	3,993,322	5,489,297
Charges for Services	1,354,971	2,599,901	271,452	-0-	662,052	4,888,376	1,574,166
Administrative Charges	1,033,484	-0-	-0-	-0-	-0-	1,033,484	903,510
Fines & Forfeitures	2,221,644	-0-	-0-	130,968	-0-	2,352,612	2,305,515
Cell Tower Lease	-0-	-0-	-0-	131,356	-0-	131,356	99,776
Fees from Developers	-0-	293,283	-0-	299,130	3,500	595,913	624,627
Charges for Sales & Services	-0-	-0-	-0-	-0-	-0-	-0-	2,847,528
Interest Income	104,687	217,790	131,222	296,822	122,806	873,327	878,209
Miscellaneous Revenues	14,384	-0-	-0-	363,847	472,702	850,933	672,710
Total Revenues	36,120,198	3,110,974	1,225,397	1,522,123	5,321,104	47,299,796	49,580,736
Expenditures:							
Salaries and Benefits	23,894,657	416,488	-0-	-0-	1,078,164	25,389,309	24,083,196
Materials & Supplies	4,140,426	72,559	-0-	-0-	807,898	5,020,883	4,511,683
Contracted Services	1,128,292	105,001	-0-	-0-	350,249	1,583,542	1,426,510
Internal Charges	3,404,457	156,316	-0-	-0-	65,886	3,626,659	3,504,126
Administrative Charges	-0-	39,117	-0-	-0-	46,061	85,178	141,366
Cost of Goods Sold	-0-	806	-0-	-0-	604,309	605,115	800,644
Bond Issuance Cost and Trustee Fees	-0-	-0-	167,101	-0-	1,530	168,631	284,279
Capitalized Internal Services	-0-	97,517	-0-	-0-	13,977	111,494	109,450
Capital Outlays	275,777	8,840,420	2,844,894	4,823,271	1,515,258	18,299,620	13,267,143
Principal	-0-	-0-	8,808,924	-0-	-0-	8,808,924	3,501,756
Interest on Long-Term Debt	-0-	-0-	2,642,292	-0-	-0-	2,642,292	2,291,510
Total Expenditures	32,843,609	9,728,224	14,463,211	4,823,271	4,483,332	66,341,647	53,921,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,276,589	(6,617,250)	(13,237,814)	(3,301,148)	837,772	(19,041,851)	(4,340,927)
Other Financing Sources (Uses):							
Bond Proceeds	-0-	-0-	7,557,947	-0-	-0-	7,557,947	11,857,923
Interest Income	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Cell Tower Lease	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Fees from Developers	-0-	-0-	-0-	-0-	-0-	-0-	398,377
Other Income	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sale of Capital Assets	11,572	128,549	-0-	105,297	-0-	245,418	246,336
Bond Interest Expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Transfers In	950,936	-0-	6,250,412	1,329,689	1,205,028	9,736,065	9,249,236
Transfers Out	(4,088,483)	(897,807)	(62,500)	(1,394,664)	(3,509,749)	(9,953,203)	(8,789,236)
Total Other Financing Sources (Uses)	(3,125,975)	(769,258)	13,745,859	40,322	(2,304,721)	7,586,227	12,962,636
Net Change in Fund Balances	150,614	(7,386,508)	508,045	(3,260,826)	(1,466,949)	(11,455,624)	8,621,709
Beginning Fund Balances	3,939,277	13,358,131	4,702,927	14,728,724	4,863,180	41,592,239	32,970,530
Ending Fund Balances	\$ 4,089,891	\$ 5,971,623	\$ 5,210,972	\$ 11,467,898	\$ 3,396,231	\$ 30,136,615	\$ 41,592,239

SANDY CITY**General Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Taxes:				
General Property Taxes	\$ 6,659,300	\$ 6,659,300	\$ 6,778,104	\$ 118,804
General Sales & Use Taxes	15,587,743	15,587,743	14,569,744	(1,017,999)
Franchise Taxes	4,173,600	4,173,600	4,299,404	125,804
Motor Vehicle Fee	925,500	925,500	918,730	(6,770)
Total Taxes	27,346,143	27,346,143	26,565,982	(780,161)
Licenses & Permits	1,669,400	1,669,400	1,685,082	15,682
Inter-Governmental Revenue	3,140,686	3,140,686	3,139,964	(722)
Charges for Services	1,401,196	1,401,196	1,354,971	(46,225)
Administrative Charges	999,010	1,021,484	1,033,484	12,000
Fines & Forfeitures	2,309,624	2,309,624	2,221,644	(87,980)
Interest Income	124,900	124,900	104,687	(20,213)
Miscellaneous Revenues	10,000	10,000	14,384	4,384
Total Revenues	37,000,959	37,023,433	36,120,198	(903,235)
Expenditures:				
Salaries and Benefits	24,555,847	24,575,758	23,894,657	681,101
Materials & Supplies	4,407,231	4,445,931	4,140,426	305,505
Contracted Services	1,096,464	1,138,127	1,128,292	9,835
Internal Charges	3,470,344	3,470,344	3,404,457	65,887
Capital Outlays	270,501	165,701	275,777	(110,076)
Total Expenditures	33,800,387	33,795,861	32,843,609	952,252
Excess of Revenues Over Expenditures	3,200,572	3,227,572	3,276,589	49,017
Other Financing Sources (Uses):				
Sale of Capital Assets	-0-	-0-	11,572	11,572
Transfers In	950,936	950,936	950,936	-0-
Transfers Out	(3,751,508)	(3,778,508)	(4,088,483)	(309,975)
Total Other Financing Sources (Uses)	(2,800,572)	(2,827,572)	(3,125,975)	(298,403)
Net Change in Fund Balances	400,000	400,000	150,614	(249,386)
Beginning Fund Balances	3,939,277	3,939,277	3,939,277	-0-
Ending Fund Balances	\$ 4,339,277	\$ 4,339,277	\$ 4,089,891	\$ (249,386)

SANDY CITY**Storm Water Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 2,693,424	\$ 2,599,901	\$ (93,523)
Fees from Developers	350,000	293,283	(56,717)
Interest Income	55,000	217,790	162,790
Total Revenues	<u>3,098,424</u>	<u>3,110,974</u>	<u>12,550</u>
Expenditures:			
Salaries and Benefits	442,783	416,488	26,295
Materials & Supplies	110,677	72,559	38,118
Contracted Services	118,570	105,001	13,569
Internal Charges	156,316	156,316	-0-
Administrative Charges	39,117	39,117	-0-
Cost of Goods Sold	763	806	(43)
Capitalized Internal Services	570,568	97,517	473,051
Capital Outlays	13,305,810	8,840,420	4,465,390
Total Expenditures	<u>14,744,604</u>	<u>9,728,224</u>	<u>5,016,380</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,646,180)</u>	<u>(6,617,250)</u>	<u>5,028,930</u>
Other Financing Sources (Uses):			
Sale of Capital Assets	3,500	128,549	125,049
Transfers Out	(897,845)	(897,807)	38
Total Other Financing Sources (Uses)	<u>(894,345)</u>	<u>(769,258)</u>	<u>125,087</u>
Net Change in Fund Balances	<u>(12,540,525)</u>	<u>(7,386,508)</u>	<u>5,154,017</u>
Beginning Fund Balances	13,358,131	13,358,131	-0-
Ending Fund Balances	<u>\$ 817,606</u>	<u>\$ 5,971,623</u>	<u>\$ 5,154,017</u>

SANDY CITY

Debt Service

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
General Property Taxes	\$ 268,688	\$ 268,688	\$ 265,923	\$ (2,765)
Special Assessments	287,549	287,549	388,837	101,288
Innkeeper Fees	179,900	179,900	167,963	(11,937)
Charges for Services	271,452	271,452	271,452	-0-
Interest Income	108,136	145,363	131,222	(14,141)
Total Revenues	1,115,725	1,152,952	1,225,397	72,445
Expenditures:				
Capital Outlays	127,000	2,567,420	2,844,894	(277,474)
Principal	4,168,221	7,059,221	8,808,924	(1,749,703)
Interest on Long-Term Debt	2,578,143	2,750,766	2,642,292	108,474
Bond Issuance Cost and Trustee Fees	41,300	176,800	167,101	9,699
Total Expenditures	6,914,664	12,554,207	14,463,211	(1,909,004)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,798,939)	(11,401,255)	(13,237,814)	(1,836,559)
Other Financing Sources (Uses):				
Bond Proceeds	100,000	5,111,744	7,557,947	2,446,203
Transfers In	5,663,916	6,742,630	6,250,412	(492,218)
Transfers Out	-0-	-0-	(62,500)	(62,500)
Total Other Financing Sources (Uses)	5,763,916	11,854,374	13,745,859	1,891,485
Net Change in Fund Balances	(35,023)	453,119	508,045	54,926
Beginning Fund Balances	4,702,927	4,702,927	4,702,927	-0-
Ending Fund Balances	\$ 4,667,904	\$ 5,156,046	\$ 5,210,972	\$ 54,926

SANDY CITY

Capital Projects

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2003

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Inter-Governmental Revenue	\$ 896,000	\$ 300,000	\$ (596,000)
Fines & Forfeitures	120,000	130,968	10,968
Cell Tower Lease	106,006	131,356	25,350
Fees from Developers	230,000	299,130	69,130
Interest Income	298,600	296,822	(1,778)
Miscellaneous Revenues	-0-	363,847	363,847
Total Revenues	1,650,606	1,522,123	(128,483)
Expenditures:			
Capital Outlays	600,655	-0-	600,655
Land	1,714,459	2,000	1,712,459
Buildings	1,263,114	196,140	1,066,974
Roads	5,344,348	1,979,693	3,364,655
Parks	5,305,525	2,457,531	2,847,994
Miscellaneous	1,042,117	187,907	854,210
Total Expenditures	15,270,218	4,823,271	10,446,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,619,612)	(3,301,148)	10,318,464
Other Financing Sources (Uses):			
Sale of Capital Assets	-0-	105,297	105,297
Transfers In	1,027,431	1,329,689	302,258
Transfers Out	(1,394,664)	(1,394,664)	-0-
Total Other Financing Sources (Uses)	(367,233)	40,322	407,555
Net Change in Fund Balances	(13,986,845)	(3,260,826)	10,726,019
Beginning Fund Balances	14,728,724	14,728,724	-0-
Ending Fund Balances	\$ 741,879	\$ 11,467,898	\$ 10,726,019

Supplementary Information

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Nonmajor Governmental Funds

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Sandy Redevelopment Agency Fund - This fund is used to account for the tax increment revenues and the tax increment bond proceeds that are legally restricted for expenditures in the Sandy Redevelopment Agency project area.

Landscape Maintenance Fund - This fund is used to account for the service-type special assessments legally restricted for operation and maintenance of streetscapes.

Community Development Fund - This fund is used to account for the revenues received by the City as grantee participant in the Community Development Block Grant program.

Recreation Fund - This fund is used to account for the City's recreation activities.

Community Arts Fund - The City elects to sponsor certain performing arts, programs and special events. This fund is used to account for the revenue and expenditures associated with these events.

Amphitheater - The City arranges for concerts, programs, and special events to be performed within our amphitheater for the enjoyment of our citizens. This fund is used to account for the revenue and expenditures associated with these events.

Electric Utilities Fund - This fund is used to account for the operation of the City's electric utility.

Sandy City Donation Fund - This fund was established to account for individual, private, and intergovernmental contributions held in trust by the City.

SANDY CITY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003
With Comparative Totals for 2002

	Combined RDA	Landscape Maintenance	CDBG	Recreation Fund	Community Arts
<u>ASSETS</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 877,877	\$ 324,119	\$ -0-	\$ 112,448	\$ 61,830
Receivables	-0-	-0-	-0-	-0-	-0-
Due from other Govt. Units	67,764	-0-	75,035	-0-	-0-
Due From Other Funds	63,473	-0-	-0-	-0-	-0-
Prepaid Assets	(13)	-0-	-0-	-0-	-0-
Total Assets	1,009,101	324,119	75,035	112,448	61,830
<u>LIABILITIES:</u>					
Current Liabilities:					
Accounts Payable	21,551	-0-	9,487	4,651	3,919
Salaries & Benefits Payable	4,955	-0-	2,075	11,296	4,029
Due to Other Govt. Units	-0-	-0-	-0-	158	-0-
Due to Other Funds	-0-	-0-	63,473	-0-	-0-
Deferred Revenue	-0-	-0-	-0-	-0-	7,500
Deposits	-0-	-0-	-0-	-0-	-0-
Total Liabilities	26,506	-0-	75,035	16,105	15,448
Unreserved Fund Balances	982,595	324,119	-0-	96,343	46,382
Total Liabilities and Fund Balance	\$ 1,009,101	\$ 324,119	\$ 75,035	\$ 112,448	\$ 61,830

ASSETS**Current Assets:**

	Amphitheater	Electric Utilities	Sandy City Donations	TOTALS	
				2003	2002
Cash and Cash Equivalents	\$ 45,598	\$ 1,478,341	\$ 495,766	\$ 3,395,979	\$ 5,059,468
Receivables	-0-	10,473	-0-	10,473	(31,940)
Due from other Govt. Units	-0-	-0-	12,493	155,292	229,304
Due From Other Funds	-0-	-0-	-0-	63,473	-0-
Prepaid Assets	10,500	-0-	-0-	10,487	3,431
Total Assets	56,098	1,488,814	508,259	3,635,704	5,260,263

LIABILITIES:**Current Liabilities:**

Accounts Payable	9,988	78,192	4,455	132,243	192,691
Salaries & Benefits Payable	2,986	8,934	-0-	34,275	25,931
Due to Other Govt. Units	-0-	-0-	-0-	158	161,396
Due to Other Funds	-0-	-0-	-0-	63,473	-0-
Deferred Revenue	-0-	-0-	-0-	7,500	7,500
Deposits	-0-	1,824	-0-	1,824	9,565
Total Liabilities	12,974	88,950	4,455	239,473	397,083
Unreserved Fund Balances	43,124	1,399,864	503,804	3,396,231	4,863,180
Total Liabilities and Fund Balance	\$ 56,098	\$ 1,488,814	\$ 508,259	\$ 3,635,704	\$ 5,260,263

SANDY CITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Nonmajor Governmental Funds

For the Year Ended June 30, 2003

	RDA	Landscape Maintenance	CDBG	Recreation	Community Arts
Revenues:					
Taxes:					
Taxes	\$ 3,500,288	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Special Assessments	-0-	6,398	-0-	-0-	-0-
Inter-Governmental Revenue	-0-	-0-	553,358	-0-	-0-
Charges for Services	-0-	-0-	-0-	564,267	-0-
Fees from Developers	-0-	-0-	-0-	-0-	-0-
Interest Income	51,744	8,875	-0-	3,242	4,160
Miscellaneous Revenues	-0-	-0-	-0-	-0-	15,270
Total Revenues	3,552,032	15,273	553,358	567,509	19,430
Expenditures:					
General Government	-0-	-0-	-0-	-0-	-0-
Police & Animal Control	-0-	-0-	-0-	-0-	-0-
Fire	-0-	-0-	-0-	-0-	-0-
Public Works	-0-	-0-	-0-	-0-	-0-
Parks, Landscapes and Cemetery	-0-	43,168	-0-	-0-	-0-
Community Development	-0-	-0-	239,388	-0-	-0-
Economic Development	894,759	-0-	-0-	-0-	-0-
Recreation and Cultural Events	-0-	-0-	-0-	798,459	424,585
Electric Utility	-0-	-0-	-0-	-0-	-0-
Electric Utility	-0-	-0-	-0-	-0-	-0-
Other Capital Outlays	535,422	-0-	78,020	-0-	-0-
Total Expenditures	1,430,181	43,168	317,408	798,459	424,585
	2,121,851	(27,895)	235,950	(230,950)	(405,155)
Other Financing Sources (Uses):					
Transfers In	-0-	-0-	-0-	187,307	413,093
Transfers Out	(3,273,799)	-0-	(235,950)	-0-	-0-
Total Other Financing Sources (Uses)	(3,273,799)	-0-	(235,950)	187,307	413,093
Net Change in Fund Balances	(1,151,948)	(27,895)	-0-	(43,643)	7,938
Beginning Fund Balances	2,134,543	352,014	-0-	139,986	38,444
Ending Fund Balances	\$ 982,595	\$ 324,119	\$ -0-	\$ 96,343	\$ 46,382

	Amphitheater	Electric Utilities	Sandy City Donations	Total Non-Major Governmental Funds
Revenues:				
Taxes:				
Taxes	\$ -0-	\$ -0-	\$ -0-	\$ 3,500,288
Special Assessments	-0-	-0-	-0-	6,398
Inter-Governmental Revenue	-0-	-0-	-0-	553,358
Charges for Services	-0-	78,463	19,322	662,052
Fees from Developers	-0-	3,500	-0-	3,500
Interest Income	-0-	40,057	14,728	122,806
Miscellaneous Revenues	269,500	-0-	187,932	472,702
Total Revenues	269,500	122,020	221,982	5,321,104
Expenditures:				
General Government	-0-	-0-	138,741	138,741
Police & Animal Control	-0-	-0-	189,284	189,284
Fire	-0-	-0-	35,053	35,053
Public Works	-0-	-0-	1,090	1,090
Parks, Landscapes and Cemetery	-0-	-0-	895	44,063
Community Development	-0-	-0-	5,933	245,321
Economic Development	-0-	-0-	-0-	894,759
Recreation and Cultural Events	253,194	-0-	2,277	1,478,515
Electric Utility	-0-	491,681	-0-	491,681
Electric Utility	-0-	351,383	-0-	351,383
Other Capital Outlays	-0-	-0-	-0-	613,442
Total Expenditures	253,194	843,064	373,273	4,483,332
	16,306	(721,044)	(151,291)	837,772
Other Financing Sources (Uses):				
Transfers In	-0-	604,628	-0-	1,205,028
Transfers Out	-0-	-0-	-0-	(3,509,749)
Total Other Financing Sources (Uses)	-0-	604,628	-0-	(2,304,721)
Net Change in Fund Balances	16,306	(116,416)	(151,291)	(1,466,949)
Beginning Fund Balances	26,818	1,516,280	655,095	4,863,180
Ending Fund Balances	\$ 43,124	\$ 1,399,864	\$ 503,804	\$ 3,396,231

SANDY CITY**Redevelopment Agency (RDA)****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2003**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Revenues:				
General Property Taxes	\$ 5,046,520	\$ 5,046,520	\$ 3,500,288	\$ (1,546,232)
Interest Income	60,000	60,000	51,744	(8,256)
Total Revenues	5,106,520	5,106,520	3,552,032	(1,554,488)
Expenditures:				
Salaries and Benefits	203,697	203,697	243,859	(40,162)
Materials & Supplies	39,476	89,476	74,272	15,204
Contracted Services	228,000	228,000	185,675	42,325
Internal Charges	13,215	13,215	13,215	-0-
Administrative Charges	46,061	46,061	46,061	-0-
Bond Issuance Cost and Trustee Fees	3,000	3,000	758	2,242
Capital Outlays	2,135,528	2,135,528	866,341	1,269,187
Total Expenditures	2,668,977	2,718,977	1,430,181	1,288,796
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,437,543	2,387,543	2,121,851	(265,692)
Other Financing Sources (Uses):				
Transfers Out	(1,635,584)	(3,186,843)	(3,273,799)	(86,956)
Net Change in Fund Balances	801,959	(799,300)	(1,151,948)	(352,648)
Beginning Fund Balances	2,134,543	2,134,543	2,134,543	-0-
Ending Fund Balances	\$ 2,936,502	\$ 1,335,243	\$ 982,595	\$ (352,648)

SANDY CITY

Landscape Maintenance

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2003

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 16,136	\$ 6,398	\$ (9,738)
Interest Income	8,343	8,875	532
Total Revenues	24,479	15,273	(9,206)
Expenditures:			
Capital Outlays	377,630	43,168	334,462
Total Expenditures	377,630	43,168	334,462
Excess (Deficiency) of Revenues Over (Under) Expenditures	(353,151)	(27,895)	325,256
Beginning Fund Balances	352,014	352,014	-0-
Ending Fund Balances	\$ (1,137)	\$ 324,119	\$ 325,256

SANDY CITY**Community Development Block Grant (CDBG)****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Inter-Governmental Revenue	\$ 941,439	\$ 553,358	\$ (388,081)
Expenditures:			
Salaries and Benefits	87,805	85,064	2,741
Materials & Supplies	576,253	143,883	432,370
Internal Charges	6,183	6,183	-0-
Capital Outlays	301,693	82,278	219,415
Total Expenditures	971,934	317,408	654,526
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,495)	235,950	266,445
Other Financing Sources (Uses):			
Transfers Out	(235,751)	(235,950)	(199)
Net Change in Fund Balances	(266,246)	-0-	266,246
Beginning Fund Balances	-0-	-0-	-0-
Ending Fund Balances	<u>\$ (266,246)</u>	<u>\$ -0-</u>	<u>\$ 266,246</u>

SANDY CITY

Recreation

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2003

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 790,561	\$ 564,267	\$ (226,294)
Interest Income	6,500	3,242	(3,258)
Total Revenues	797,061	567,509	(229,552)
Expenditures:			
Salaries and Benefits	419,014	411,663	7,351
Materials & Supplies	45,597	30,135	15,462
Contracted Services	550	992	(442)
Internal Charges	23,234	23,234	-0-
Cost of Goods Sold	482,440	331,245	151,195
Capital Outlays	23,000	1,190	21,810
Total Expenditures	993,835	798,459	195,376
Excess (Deficiency) of Revenues Over (Under) Expenditures	(196,774)	(230,950)	(34,176)
Other Financing Sources (Uses):			
Transfers In	187,307	187,307	-0-
Net Change in Fund Balances	(9,467)	(43,643)	(34,176)
Beginning Fund Balances	139,986	139,986	-0-
Ending Fund Balances	\$ 130,519	\$ 96,343	\$ (34,176)

SANDY CITY**Community Arts****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Interest Income	\$ 7,000	\$ 4,160	\$ (2,840)
Miscellaneous Revenues	12,300	15,270	2,970
Total Revenues	19,300	19,430	130
Expenditures:			
Salaries and Benefits	146,177	152,120	(5,943)
Materials & Supplies	164,087	150,336	13,751
Internal Charges	12,129	12,129	-0-
Capital Outlays	110,000	110,000	-0-
Total Expenditures	432,393	424,585	7,808
Excess (Deficiency) of Revenues Over (Under) Expenditures	(413,093)	(405,155)	7,938
Other Financing Sources (Uses):			
Transfers In	413,093	413,093	-0-
Net Change in Fund Balances	-0-	7,938	7,938
Beginning Fund Balances	38,444	38,444	-0-
Ending Fund Balances	<u>\$ 38,444</u>	<u>\$ 46,382</u>	<u>\$ 7,938</u>

SANDY CITY**Amphitheater****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous Revenues	\$ 257,343	\$ 269,500	\$ 12,157
Expenditures:			
Salaries and Benefits	31,431	41,792	(10,361)
Materials & Supplies	42,958	47,550	(4,592)
Contracted Services	170,200	158,002	12,198
Internal Charges	2,607	2,607	-0-
Bond Issuance Cost and Trustee Fees	2,000	772	1,228
Capital Outlays	8,147	2,471	5,676
Total Expenditures	257,343	253,194	4,149
Net Change in Fund Balances	-0-	16,306	16,306
Beginning Fund Balances	26,818	26,818	-0-
Ending Fund Balances	<u>\$ 26,818</u>	<u>\$ 43,124</u>	<u>\$ 16,306</u>

SANDY CITY**Electric Utilities****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 60,000	\$ 78,463	\$ 18,463
Fees from Developers	-0-	3,500	3,500
Interest Income	-0-	40,057	40,057
Total Revenues	60,000	122,020	62,020
Expenditures:			
Salaries and Benefits	148,666	115,861	32,805
Materials & Supplies	396,967	361,722	35,245
Contracted Services	15,424	5,580	9,844
Internal Charges	8,518	8,518	-0-
Capitalized Internal Services	75,000	-0-	75,000
Capital Outlays	1,583,510	351,383	1,232,127
Total Expenditures	2,228,085	843,064	1,385,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,168,085)	(721,044)	1,447,041
Other Financing Sources (Uses):			
Fees from Developers	-0-	-0-	-0-
Transfers In	604,628	604,628	-0-
Total Other Financing Sources (Uses)	604,628	604,628	-0-
Net Change in Fund Balances	(1,563,457)	(116,416)	1,447,041
Beginning Fund Balances	1,516,280	1,516,280	-0-
Ending Fund Balances	\$ (47,177)	\$ 1,399,864	\$ 1,447,041

SANDY CITY**Sandy City Donations****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ -0-	\$ 19,322	\$ 19,322
Interest Income	7,000	14,728	7,728
Miscellaneous Revenues	451,727	187,932	(263,795)
Total Revenues	458,727	221,982	(236,745)
Expenditures:			
Salaries and Benefits	34,429	27,805	6,624
Cost of Goods Sold	405,500	273,064	132,436
Capitalized Internal Services	-0-	13,977	(13,977)
Capital Outlays	58,727	58,427	300
Total Expenditures	498,656	373,273	125,383
Income Before Contributions and Transfers	(39,929)	(151,291)	(111,362)
Other Financing Sources (Uses):			
Transfer From Reserves	403,705	-0-	(403,705)
Net Change in Fund Balances	363,776	(151,291)	(515,067)
Beginning Fund Balances	655,095	655,095	-0-
Ending Fund Balances	<u>\$ 1,018,871</u>	<u>\$ 503,804</u>	<u>\$ (515,067)</u>

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Enterprise Funds

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

ALTA Canyon Sports Center - This fund is used to account for the City's recreational center.

Water - This fund is used to account for the operations of the City's Water Utility.

Waste Collection - This fund is used to account for waste collection services provided by an independent contractor.

Golf - This fund is used to account for the City's golf course.

SANDY CITY**Alta Canyon Sports Center****Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual****For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 481,700	\$ 538,014	\$ 56,314
Operating Expenses			
Salaries and Benefits	510,320	580,957	(70,637)
Materials & Supplies	133,479	133,591	(112)
Contracted Services	41,900	50,155	(8,255)
Internal Charges	12,068	6,033	6,035
Administrative Charges	52,949	31,998	20,951
Cost of Goods Sold	64,100	41,658	22,442
Capital Outlays	31,784	-0-	31,784
Depreciation	156,518	156,518	-0-
Total Operating Expenses	1,003,118	1,000,910	2,208
Operating Income (Loss)	(521,418)	(462,896)	58,522
Nonoperating Revenue (Expenses):			
General Property Taxes	275,300	273,683	(1,617)
Motor Vehicle Fee	36,800	38,578	1,778
Interest Income	2,000	-0-	(2,000)
Cell Tower Lease	26,000	25,958	(42)
Other Income	26,700	29,693	2,993
Sale of Capital Assets	-0-	1,397	1,397
Total Nonoperating Revenues (Expenses):	366,800	369,309	2,509
Change in Net Assets	(154,618)	(93,587)	61,031
Beginning Net Assets	1,838,583	1,838,583	-0-
Ending Net Assets	<u>\$ 1,683,965</u>	<u>\$ 1,744,996</u>	<u>\$ 61,031</u>

SANDY CITY

Water

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Operating Revenues:				
Charges for Sales & Services	\$ 13,942,910	\$ 13,942,910	\$ 13,461,630	\$ (481,280)
Operating Expenses				
Salaries and Benefits	1,632,365	1,632,365	1,619,762	12,603
Materials & Supplies	587,580	587,580	465,323	122,257
Contracted Services	846,481	846,481	788,520	57,961
Internal Charges	565,278	565,278	565,278	-0-
Administrative Charges	566,335	566,335	566,335	-0-
Cost of Goods Sold	4,448,632	4,448,632	3,705,863	742,769
Capitalized Internal Services	964,016	964,016	164,073	799,943
Capital Outlays	77,810	77,810	32,448	45,362
Depreciation	2,265,281	2,265,281	2,265,281	-0-
Total Operating Expenses	11,953,778	11,953,778	10,172,883	1,780,895
Operating Income/(Loss) Before Depreciation	1,989,132	1,989,132	3,288,747	1,299,615
Operating Income (Loss)	1,989,132	1,989,132	3,288,747	1,299,615
Nonoperating Revenue (Expenses):				
Inter-Governmental Revenue	1,250,000	5,121,400	2,813,543	(2,307,857)
Interest Income	340,000	340,000	197,234	(142,766)
Cell Tower Lease	123,515	123,515	173,089	49,574
Other Income	400,000	400,000	987,316	587,316
Other Income	(7,500)	(7,500)	43,071	50,571
Sale of Capital Assets	10,500	10,500	73,563	63,063
Bond Interest Expense	(377,638)	(377,638)	(437,200)	(59,562)
Total Nonoperating Revenues (Expenses):	1,738,877	5,610,277	3,850,616	(1,759,661)
Change in Net Assets	3,728,009	7,599,409	7,139,363	(460,046)
Beginning Net Assets	60,672,527	60,672,527	60,672,527	-0-
Ending Net Assets	\$ 64,400,536	\$ 68,271,936	\$ 67,811,890	\$ (460,046)

SANDY CITY

Waste

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual For the Year Ended June 30, 2003

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 3,516,550	\$ 3,482,116	\$ (34,434)
Operating Expenses			
Salaries and Benefits	174,801	154,483	20,318
Materials & Supplies	61,329	57,656	3,673
Internal Charges	12,332	12,332	-0-
Administrative Charges	102,373	102,373	-0-
Cost of Goods Sold	3,035,629	2,956,519	79,110
Capitalized Internal Services	132,000	62,546	69,454
Total Operating Expenses	3,518,464	3,345,909	172,555
Operating Income (Loss)	(1,914)	136,207	138,121
Nonoperating Revenue (Expenses):			
Interest Income	13,910	14,358	448
Other Income	-0-	135,051	135,051
Total Nonoperating Revenues (Expenses):	13,910	149,409	135,499
Change in Net Assets	11,996	285,616	273,620
Beginning Net Assets	5,120,743	5,120,743	-0-
Ending Net Assets	<u>\$ 5,132,739</u>	<u>\$ 5,406,359</u>	<u>\$ 273,620</u>

SANDY CITY

Golf

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Operating Revenues:				
Charges for Sales & Services	\$ 1,135,196	\$ 1,135,196	\$ 1,013,868	\$ (121,328)
Operating Expenses				
Salaries and Benefits	407,378	407,378	400,828	6,550
Materials & Supplies	316,841	316,841	205,412	111,429
Contracted Services	15,900	15,900	32,050	(16,150)
Internal Charges	37,211	37,211	37,199	12
Administrative Charges	12,000	12,000	12,000	-0-
Cost of Goods Sold	109,802	109,802	65,753	44,049
Capitalized Internal Services	13,700	13,700	13,653	47
Capital Outlays	10,550	10,550	13,412	(2,862)
Total Operating Expenses	923,382	923,382	780,307	143,075
Operating Income (Loss)	211,814	211,814	233,561	21,747
Nonoperating Revenue (Expenses):				
Interest Income	-0-	-0-	17,157	17,157
Other Income (Expense)	-0-	-0-	(4,643)	(4,643)
Bond Interest Expense	(144,582)	(144,582)	(144,582)	-0-
Total Nonoperating Revenues (Expenses):	(144,582)	(144,582)	(132,068)	12,514
Income Before Transfers	67,232	67,232	101,493	34,261
Transfers In	-0-	250,000	334,187	84,187
Total Other Financing Sources (Uses)	-0-	250,000	334,187	84,187
Change in Net Assets	67,232	317,232	435,680	118,448
Beginning Net Assets	-0-	-0-	-0-	-0-
Ending Net Assets	\$ 67,232	\$ 317,232	\$ 435,680	\$ 118,448

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Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fleet - This fund is used to account for the rental of machinery, equipment, vehicles, and their related costs to other departments.

Information Services - This fund is used to account for the accumulation and allocation of costs associated with the centralized data processing systems.

Risk Management - This fund is used to account for the accumulation and allocation of costs associated with general liability, worker's compensation and risk management functions.

Equipment Management - This fund is used to account for the accumulation and allocation of costs associated with the purchase of equipment for the governmental funds.

Payroll Management - this fund is used to account for the liability associated with the accumulation of employee compensated absences.

SANDY CITY**Combining Statement of Net Assets****Internal Service Funds****For the Year Ended June 30, 2003**

	Fleet	Information Services	Risk Management	Equipment Management	Payroll Management	Totals
<u>ASSETS</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 2,420,943	\$ 390,276	\$ 2,713,481	\$ 219,870	\$ 1,369,298	\$ 7,113,868
Receivables	-0-	-0-	340,458	-0-	-0-	340,458
Inventories	19,336	-0-	-0-	-0-	-0-	19,336
Total Current Assets	2,440,279	390,276	3,053,939	219,870	1,369,298	7,473,662
Land, Building, Plant, and Equipment	16,919,337	1,737,656	-0-	-0-	-0-	18,656,993
Accumulated Depreciation	(8,794,387)	(1,126,729)	-0-	-0-	-0-	(9,921,116)
Construction in Progress	63,000	-0-	-0-	-0-	-0-	63,000
Total Assets	10,628,229	1,001,203	3,053,939	219,870	1,369,298	16,272,539
<u>LIABILITIES:</u>						
Current Liabilities:						
Accounts Payable	71,835	21,275	5,439	23,655	-0-	122,204
Salaries & Benefits Payable	26,606	20,464	(428)	-0-	-0-	46,642
Claims & Judgements Payable	-0-	-0-	792,636	-0-	-0-	792,636
Deferred Property Tax	-0-	-0-	365,270	-0-	-0-	365,270
Capital Leases - Current	82,887	-0-	-0-	-0-	-0-	82,887
Total Current Liabilities	181,328	41,739	1,162,917	23,655	-0-	1,409,639
Noncurrent Liabilities						
Compensated Absences	-0-	-0-	-0-	-0-	1,286,384	1,286,384
Capital Leases	262,413	-0-	-0-	-0-	-0-	262,413
Total Noncurrent Liabilities:	262,413	-0-	-0-	-0-	1,286,384	1,548,797
Total Liabilities	443,741	41,739	1,162,917	23,655	1,286,384	2,958,436
<u>NET ASSETS</u>						
Invested In Capital Assets, Net of Related Debt	7,842,650	610,927	-0-	-0-	-0-	8,453,577
Unrestricted	2,341,838	348,537	1,891,022	196,215	82,914	4,860,526
Total Net Assets	10,184,488	959,464	1,891,022	196,215	82,914	13,314,103

SANDY CITY**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets****Internal Services Fund****For the Year Ended June 30, 2003**

	Fleet	Information Services	Risk Management	Equipment Management	Payroll Management	Totals
Operating Revenue						
Charges for Sales & Services	\$ 3,087,710	\$ 912,932	\$ 1,013,335	\$ 132,950	\$ 490,204	\$ 5,637,131
Miscellaneous Revenues	-0-	61,225	38,793	-0-	-0-	100,018
Total Revenues	3,087,710	974,157	1,052,128	132,950	490,204	5,737,149
Operating Expenses						
Salaries and Benefits	587,198	474,681	227,881	-0-	474,493	1,764,253
Materials & Supplies	16,979	65,161	11,330	-0-	-0-	93,470
Contracted Services	5,899	194,043	804,177	-0-	-0-	1,004,119
Internal Charges	41,902	-0-	7,241	-0-	-0-	49,143
Administrative Charges	120,888	59,108	-0-	-0-	-0-	179,996
Cost of Goods Sold	642,783	-0-	-0-	-0-	-0-	642,783
Capital Outlays	4,320	5,176	-0-	313,703	-0-	323,199
Depreciation	1,749,527	199,420	-0-	-0-	-0-	1,948,947
Total Operating Expenses	3,169,496	997,589	1,050,629	313,703	474,493	6,005,910
Operating Income/(Loss)	(81,786)	(23,432)	1,499	(180,753)	15,711	(268,761)
Nonoperating Revenues (Expenses):						
General Property Taxes	-0-		352,067	-0-	-0-	352,067
Interest Income	48,038	14,923	61,940	5,399	33,969	164,269
Other Income	3,766	-0-	-0-	-0-	-0-	3,766
Gain/(Loss) on Disposal of Asset	93,111	1,737	-0-	-0-	-0-	94,848
Total Nonoperating Revenues (Expenses)	144,915	16,660	414,007	5,399	33,969	614,950
Income Before Transfers	63,129	(6,772)	415,506	(175,354)	49,680	346,189
Transfers Out	-0-	(100,000)	-0-	(17,048)	-0-	(117,048)
Change in Net Assets	63,129	(106,772)	415,506	(192,402)	49,680	229,141
Net Assets - Beginning	10,121,359	1,066,236	1,475,516	388,617	33,234	13,084,962
Net Assets - Ending	\$ 10,184,488	\$ 959,464	\$ 1,891,022	\$ 196,215	\$ 82,914	\$ 13,314,103

SANDY CITY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2003

	Fleet	Information Services	Risk Management	Equipment Management	Payroll Management	Total
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 3,087,710	\$ 974,157	\$ 711,670	\$ 132,950	\$ 490,204	\$ 5,396,691
Payments to Suppliers	(796,940)	(312,818)	(929,015)	(316,681)	-0-	(2,355,454)
Payments to Employees	(589,062)	(465,894)	(224,855)	-0-	(381,508)	(1,661,319)
Net Cash Provided by (Used in) Operating Activities	1,701,708	195,445	(442,200)	(183,731)	108,696	1,379,918
Cash Flows from Noncapital Financing Activities:						
Tax Receipts	-0-	-0-	707,297	-0-	-0-	707,297
Transfers from (to) Other Funds	-0-	(100,000)	-0-	(17,048)	-0-	(117,048)
Other Income	3,766	-0-	-0-	-0-	-0-	3,766
Net Cash Provided from Noncapital Financing Activities	3,766	(100,000)	707,297	(17,048)	-0-	594,015
Cash Flows from Capital and Related Financing Activities:						
Acquisition of Capital Assets	(1,943,011)	(498,223)	-0-	-0-	-0-	(2,441,234)
Capital Lease Proceeds	345,300	-0-	-0-	-0-	-0-	345,300
Proceeds from Sale of Fixed Assets	149,180	1,737	-0-	-0-	-0-	150,917
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,448,531)	(496,486)	-0-	-0-	-0-	(1,945,017)
Cash Flows from Investing Activities:						
Interest Income Received	48,038	14,923	61,940	5,399	33,969	164,269
Net Increase (Decrease) in Cash and Cash Equivalents	304,981	(386,118)	327,037	(195,380)	142,665	193,185
Cash and Cash Equivalents - Beginning of Year	2,115,962	776,394	2,386,444	415,250	1,226,633	6,920,683
Cash and Cash Equivalents - End of Year	<u>\$ 2,420,943</u>	<u>\$ 390,276</u>	<u>\$ 2,713,481</u>	<u>\$ 219,870</u>	<u>\$ 1,369,298</u>	<u>\$ 7,113,868</u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:

Operating Income	\$ (81,786)	\$ (23,432)	\$ 1,499	\$ (180,753)	\$ 15,711	\$ (268,761)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:						
Depreciation	1,749,527	199,420	-0-	-0-	-0-	1,948,947
Accounts Receivables	-0-	-0-	(340,458)	-0-	-0-	(340,458)
Inventories	20,982	-0-	-0-	-0-	-0-	20,982
Prepaid Assets	150	1,551	-0-	-0-	-0-	1,701
Accounts Payable	14,699	9,119	(106,267)	(2,978)	-0-	(85,427)
Salaries & Benefits Payable	(1,864)	8,787	3,026	-0-	92,985	102,934
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,701,708</u>	<u>\$ 195,445</u>	<u>\$ (442,200)</u>	<u>\$ (183,731)</u>	<u>\$ 108,696</u>	<u>\$ 1,379,918</u>

SANDY CITY

Fleet

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual For the Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Operating Revenues:				
Charges for Sales & Services	\$ 3,133,729	\$ 3,233,429	\$ 3,087,710	\$ (145,719)
Operating Expenses				
Salaries and Benefits	611,101	611,101	587,198	23,903
Materials & Supplies	20,173	20,173	16,979	3,194
Contracted Services	12,000	12,000	5,899	6,101
Internal Charges	41,902	41,902	41,902	-0-
Administrative Charges	120,888	120,888	120,888	-0-
Cost of Goods Sold	713,485	713,485	642,783	70,702
Capital Outlays	5,000	5,000	4,320	680
Depreciation	1,749,527	1,749,527	1,749,527	-0-
Total Operating Expenses	3,274,076	3,274,076	3,169,496	104,580
Operating Income (Loss)	(140,347)	(40,647)	(81,786)	(41,139)
Nonoperating Revenue (Expenses):				
Interest Income	42,000	42,000	48,038	6,038
Interest Expense	-0-	-0-	(1,000)	(1,000)
Other Income (Expense)	-0-	-0-	4,766	4,766
Sale of Capital Assets	50,000	50,000	93,111	43,111
Total Nonoperating Revenues (Expenses):	92,000	92,000	144,915	52,915
Income Before Transfers	(48,347)	51,353	63,129	11,776
Transfers Out	-0-	(86,000)	-0-	86,000
Change in Net Assets	(48,347)	(34,647)	63,129	97,776
Beginning Net Assets	10,121,359	10,121,359	10,121,359	-0-
Ending Net Assets	\$ 10,073,012	\$ 10,086,712	\$ 10,184,488	\$ 97,776
Non-Income/(Expense) Line Item				

SANDY CITY

Information Services

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2003

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 967,371	\$ 912,932	\$ (54,439)
Miscellaneous Revenues	75,000	61,225	(13,775)
Total Operating Revenues	1,042,371	974,157	(68,214)
Operating Expenses			
Salaries and Benefits	476,452	474,681	1,771
Materials & Supplies	78,326	65,161	13,165
Contracted Services	196,505	194,043	2,462
Administrative Charges	59,108	59,108	-0-
Capital Outlays	698,771	5,176	693,595
Depreciation	199,420	199,420	-0-
Total Operating Expenses	1,708,582	997,589	710,993
Operating Income (Loss)	(666,211)	(23,432)	642,779
Nonoperating Revenue (Expenses):			
Interest Income	13,500	14,923	1,423
Sale of Capital Assets	-0-	1,737	1,737
Total Nonoperating Revenues (Expenses):	13,500	16,660	3,160
Income Before Transfers	(652,711)	(6,772)	645,939
Transfers Out	(100,000)	(100,000)	-0-
Change in Net Assets	(752,711)	(106,772)	645,939
Beginning Net Assets	1,066,236	1,066,236	-0-
Ending Net Assets	\$ 313,525	\$ 959,464	\$ 645,939

SANDY CITY**Risk Management****Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual****For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 990,163	\$ 1,013,335	\$ 23,172
Miscellaneous Revenues	4,500	38,793	34,293
Total Operating Revenues	994,663	1,052,128	57,465
Operating Expenses			
Salaries and Benefits	225,583	227,881	(2,298)
Materials & Supplies	18,837	11,330	7,507
Contracted Services	1,278,256	804,177	474,079
Internal Charges	7,241	7,241	-0-
Capital Outlays	2,000	-0-	2,000
Total Operating Expenses	1,531,917	1,050,629	481,288
Operating Income (Loss)	(537,254)	1,499	538,753
Nonoperating Revenue (Expenses):			
General Property Taxes	354,553	352,067	(2,486)
Interest Income	73,000	61,940	(11,060)
Total Nonoperating Revenues (Expenses):	427,553	414,007	(13,546)
Change in Net Assets	(109,701)	415,506	525,207
Beginning Net Assets	1,475,516	1,475,516	-0-
Ending Net Assets	\$ 1,365,815	\$ 1,891,022	\$ 525,207

SANDY CITY**Equipment Management****Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual****For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ -0-	\$ 132,950	\$ 132,950
Operating Expenses			
Capital Outlays	389,631	313,703	75,928
Total Operating Expenses	389,631	313,703	75,928
Operating Income/(Loss) Before Depreciation	(389,631)	(180,753)	208,878
Nonoperating Revenue (Expenses):			
Interest Income	-0-	5,399	5,399
Cell Tower Lease	-0-	-0-	-0-
Other Income	-0-	-0-	-0-
Other Income (Expense)	-0-	-0-	-0-
Sale of Capital Assets	-0-	-0-	-0-
Bond Interest Expense	-0-	-0-	-0-
Total Nonoperating Revenues (Expenses):	-0-	5,399	5,399
Income Before Transfers	(389,631)	(175,354)	214,277
Transfers Out	-0-	(17,048)	(17,048)
Change in Net Assets	(389,631)	(192,402)	197,229
Beginning Net Assets	388,617	388,617	-0-
Ending Net Assets	<u>\$ (1,014)</u>	<u>\$ 196,215</u>	<u>\$ 197,229</u>

SANDY CITY**Payroll Management Fund****Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual****For the Year Ended June 30, 2003**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 567,500	\$ 490,204	\$ (77,296)
Operating Expenses			
Salaries and Benefits	567,500	474,493	93,007
Operating Income (Loss)	-0-	15,711	15,711
Nonoperating Revenue (Expenses):			
Interest Income	25,000	33,969	8,969
Change in Net Assets	25,000	49,680	24,680
Beginning Net Assets	33,234	33,234	-0-
Ending Net Assets	<u>\$ 58,234</u>	<u>\$ 82,914</u>	<u>\$ 24,680</u>

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Capital Assets Used In the Operations Of Governmental Funds

SANDY CITY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE¹
JUNE 30, 2003 AND 2002

	2003	2002
Governmental funds capital assets:		
Land	\$ 187,257,078	\$ 186,719,656
Buildings	23,645,894	22,790,717
Improvements other than Buildings	8,486,958	8,401,094
Machinery and Equipment	1,375,208	1,285,177
Autos and Trucks	67,116	67,116
Infrastructure	136,949,094	131,504,551
Street Light Improvements	8,306,100	7,954,717
Storm Drain Improvements	15,918,956	15,319,208
Construction In Progress	16,707,135	7,546,673
Total governmental funds capital assets	<u>\$ 398,713,539</u>	<u>\$ 381,588,909</u>

Investments in governmental funds capital assets by source:

General Fund	\$ 852,221	\$ 762,190
Capital Projects Fund	363,422,559	356,215,198
Special Revenue Fund	1,246,977	633,535
Electric Utilities Fund	8,306,100	7,954,717
Storm Water Fund	24,181,621	15,319,208
Prior Year Investments	704,061	704,061
Total governmental funds capital assets	<u>\$ 398,713,539</u>	<u>\$ 381,588,909</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

SANDY CITY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
June 30, 2003

Function and Activity	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDING	MACHINERY AND EQUIPMENT	AUTOS AND TRUCKS	STREET LIGHT IMPROVEMENTS	STORM WATER IMPROVEMENTS	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS	TOTAL
General Government:										
Mayor	\$ 1,344,045	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,344,045
City Administrator	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Council	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Attorney	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Administrative Services (Including Building Services)	989,874	10,271,419	561,750	394,190	-0-	-0-	-0-	-0-	-0-	12,217,233
Total General Government	2,333,919	10,271,419	561,750	394,190	-0-	-0-	-0-	-0-	-0-	13,561,278
Public Safety:										
Police Department (Including Animal Control)	116,857	333,400	91,647	373,802	67,116	-0-	-0-	-0-	-0-	982,822
Fire Department	619,613	3,715,477	81,758	325,029	-0-	-0-	-0-	-0-	-0-	4,741,877
Total Public Safety	736,470	4,048,877	173,405	698,831	67,116	-0-	-0-	-0-	-0-	5,724,699
Public Works	168,289,255	1,755,317	168,886	176,974	-0-	-0-	-0-	132,817,012	-0-	303,207,444
Parks and Recreation	15,019,645	7,295,173	7,582,917	46,964	-0-	-0-	-0-	-0-	-0-	29,944,699
Community Development	-0-	275,108	-0-	43,066	-0-	-0-	-0-	-0-	-0-	318,174
Redevelopment Agency	717,131	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	717,131
Storm Water	160,658	-0-	-0-	15,183	-0-	-0-	15,918,956	-0-	-0-	16,094,797
Electric Utilities	-0-	-0-	-0-	-0-	-0-	8,306,100	-0-	-0-	-0-	8,306,100
Special Improvement Districts	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,132,082	-0-	4,132,082
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	16,707,135	16,707,135
Total governmental funds capital assets	\$ 187,257,078	\$ 23,645,894	\$ 8,486,958	\$ 1,375,208	\$ 67,116	\$ 8,306,100	\$ 15,918,956	\$ 136,949,094	\$ 16,707,135	\$ 398,713,539

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

SANDY CITY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY¹
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	GENERAL FIXED ASSETS 7/1/02	ADDITIONS	DEDUCTIONS	GENERAL FIXED ASSETS 6/30/03
General Government:				
Mayor	\$ 1,344,045	\$ -0-	\$ -0-	\$ 1,344,045
City Administrator	-0-	-0-	-0-	-0-
Council	6,343	-0-	6,343	-0-
Attorney	46,059	-0-	46,059	-0-
Administrative Services (Including Building Services)	11,872,937	344,296	-0-	12,217,233
Total General Government	13,269,384	344,296	52,402	13,561,278
Public Safety:				
Police Department (Including Animal Control)	850,081	132,741	-0-	982,822
Fire Department	4,715,845	26,032	-0-	4,741,877
Total Public Safety	5,565,926	158,773	-0-	5,724,699
Public Works	301,463,336	1,744,108	-0-	303,207,444
Parks & Recreation	29,945,558	-0-	859	29,944,699
Community Development	327,767	-0-	9,593	318,174
Redevelopment Agency	196,340	520,791	-0-	717,131
Storm Water	15,319,208	775,589	-0-	16,094,797
Electric Utilities	7,954,717	351,383	-0-	8,306,100
Special Improvement Districts	-0-	4,132,082	-0-	4,132,082
Construction in Progress	7,546,673	11,032,051	1,871,589	16,707,135
	<u>\$381,588,909</u>	<u>\$19,059,073</u>	<u>\$ 1,934,443</u>	<u>\$ 398,713,539</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

STATISTICAL SECTION

SANDY CITY
GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL GOVERNMENT (3)	PUBLIC SAFETY	PUBLIC WORKS	CULTURAL, RECREATION, AND PARKS	COMMUNITY DEVELOPMENT	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
1994	\$ 4,124,948	\$ 7,727,357	\$ 3,000,222	\$ 1,286,401	\$ 1,336,418	\$ 3,422,257	\$ 1,105,570	\$ 22,003,173
1995	6,351,085	8,791,865	3,357,410	1,592,177	1,547,693	7,446,155	1,585,529	30,671,914
1996	5,549,568	9,974,410	3,813,011	1,677,171	1,723,209	7,129,439	1,918,197	31,785,005
1997	6,306,893	10,745,591	3,711,521	1,742,548	1,559,936	8,891,427	1,966,948	34,924,864
1998	6,818,145	11,610,820	3,382,383	2,068,876	2,015,563	11,858,633	4,714,810	42,469,230
1999	7,137,140	12,358,552	4,438,244	1,955,862	1,785,779	6,031,432	9,387,286	43,094,295
2000	7,525,681	14,009,283	3,124,693	2,118,019	1,834,495	16,950,329	4,578,605	50,141,105
2001	6,560,569	14,509,321	3,755,793	2,647,486	2,094,392	7,513,701	5,626,164	42,707,426
2002	7,073,798	16,025,672	4,183,238	2,934,331	2,047,383	11,394,416	6,076,447	49,735,285
2003 (2)	8,015,346	17,166,959	6,071,357	3,986,068	2,010,190	17,473,410	11,618,317	66,341,647

Notes:

- (1) Includes General, Special Revenue, Capital Projects, and Debt Service Funds.
- (2) In FY 2003, three enterprise funds (Recreation, Storm Water Utility and Electric Utility Fund) and the Expendable Trust Funds were reclassified as Special Revenue Funds. Additionally, expendable trust funds are now included as special revenue funds. The Recreation Fund is included in Cultural, Recreation, and Parks. Electric and Storm Water Utility is included in Public Works.
- (3) General Government Includes Economic Development

Source: Sandy City Department of Finance

SANDY CITY
GOVERNMENTAL FUNDS REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES AND SPECIAL ASSESSMENTS	LICENCES AND PERMITS	INTER- GOVERN- MENTAL	INTERNAL CHARGES FOR SERVICES	FINES AND FORFE- ITURES	INTEREST	MISCEL- LANEOUS	FEES FROM DEVELOPERS	TOTAL
1994	\$ 15,573,795	\$ 1,272,111	\$ 2,042,975	\$ 1,657,282	\$ 812,725	\$ 527,160	\$ 31,675	\$ 906,886	\$ 22,824,609
1995	17,806,023	1,246,431	2,721,485	1,448,872	842,402	713,429	204,765	841,217	25,824,624
1996	19,830,171	1,647,722	2,498,285	1,558,268	1,122,339	594,370	277,667	792,161	28,320,983
1997	22,150,967	1,719,519	3,253,534	1,562,357	1,360,502	866,023	290,501	493,279	31,696,682
1998	23,651,194	2,075,450	4,363,856	1,634,945	1,431,439	1,062,506	290,469	1,234,188	35,744,047
1999	25,726,597	1,825,829	4,330,431	1,645,324	1,342,233	1,159,210	423,589	453,742	36,906,955
2000	27,195,760	1,963,715	5,136,757	1,903,784	1,781,769	1,490,346	522,885	539,163	40,534,179
2001	29,643,271	1,818,123	4,768,033	1,956,973	2,021,941	1,722,796	596,933	247,567	42,775,637
2002	32,494,781	1,690,617	5,409,297	2,172,765	2,305,515	773,524	845,059	624,627	46,316,185
2003 (2)	30,895,391	1,685,082	5,026,806	4,888,376	2,352,612	873,327	850,933	595,913	47,299,796

Notes:

- (1) Includes General, Special Revenue, Capital Projects, and Debt Service Funds.
- (2) In FY 2003, three enterprise funds (Recreation, Storm Water Utility and Electric Utility Fund) and the Expendable Trust Funds were reclassified as Special Revenue Funds. Additionally, expendable trust funds are now included as special revenue funds. The Recreation Fund is included in Cultural, Recreation, and Parks. Electric and Storm Water Utility is included in Public Works.

Source: Sandy City Department of Finance

SANDY CITY
GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>PROPERTY TAX</u>	<u>GENERAL SALES TAX</u>	<u>FRANCHISE TAX</u>	<u>MOTOR VEHICLE FEE</u>	<u>TOTAL</u>
1994	\$ 3,732,722	\$ 7,175,087	\$ 2,804,357	\$ 588,449	\$ 14,300,615
1995	4,160,823	8,680,774	2,985,714	665,362	16,492,673
1996	4,438,745	9,930,024	3,005,920	724,178	18,098,867
1997	4,726,068	11,241,249	3,317,575	905,820	20,190,712
1998	4,722,238	11,828,528	3,583,515	859,948	20,994,229
1999	4,865,626	12,966,383	3,483,868	966,216	22,282,093
2000	5,092,701	14,080,123	3,603,078	764,085	23,539,987
2001	5,737,847	14,773,043	4,435,823	721,930	25,668,643
2002	6,746,658	14,740,321	4,501,770	867,215	26,855,964
2003	6,778,104	14,569,744	4,299,404	918,730	26,565,982

Source: Sandy City Department of Finance

SANDY CITY
PROPERTY TAX ASSESSMENTS, COLLECTIONS AND LEVIES
LAST TEN FISCAL YEARS

FISCAL YEAR	ASSESSMENTS AND COLLECTIONS				TAX LEVIES				
	ASSESSED VALUATION	TAXES ASSESSED	CURRENT TAX COLLECTIONS (1)	PERCENT OF LEVY COLLECTED	GENERAL FUND	DEBT SERVICE FUND	RISK MANAGEMENT FUND	TOTAL	OUTSTANDING DELINQUENT TAXES
1994	\$1,770,523,596	\$3,939,415	\$ 3,794,901	96.3%	0.002122	0.000103	0.000000	0.002225	\$ 322,897
1995	1,965,774,867	4,426,925	4,257,249	96.2%	0.002149	0.000103	0.000000	0.002252	298,480
1996	2,637,587,808	4,716,007	4,572,893	97.0%	0.001706	0.000082	0.000000	0.001788	263,906
1997	2,889,456,769	5,079,665	4,898,750	96.4%	0.001678	0.000080	0.000000	0.001758	247,382
1998	3,256,316,583	5,184,056	5,000,019	96.4%	0.001517	0.000075	0.000000	0.001592	259,606
1999	3,409,092,299	5,427,275	5,249,645	96.7%	0.001530	0.000076	0.000000	0.001606	299,743
2000	3,585,929,560	5,673,385	5,444,197	96.0%	0.001537	0.000078	0.000000	0.001615	355,045
2001	3,802,131,432	6,798,211	6,499,879	95.6%	0.001613	0.000075	0.000100	0.001788	429,457
2002	4,037,679,082	7,913,851	7,597,954	96.0%	0.00179	0.000073	0.000097	0.001960	482,940
2003	4,193,973,087	7,947,579	7,617,686	95.8%	0.00173	0.000071	0.000094	0.001895	500,598

Notes:

(1) Current tax collections column includes amounts remitted to redevelopment agencies.

Source: Sandy City Department of Finance

SANDY CITY
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>ASSESSED VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE</u>
1994	\$ 1,770,523,596	\$ 2,415,928,378	73%
1995	1,965,774,867	2,608,043,531	75%
1996	2,637,587,808	4,157,133,530	63%
1997	2,889,456,769	4,548,513,696	64%
1998	3,256,316,583	5,142,745,684	63%
1999	3,409,092,299	5,317,298,007	64%
2000	3,585,929,560	5,541,482,116	65%
2001	3,802,131,432	5,885,828,378	65%
2002	4,037,679,082	6,161,254,606	66%
2003	4,193,973,087	6,446,408,328	65%

Notes:

- (1) The State of Utah imposed a uniform 1.7% fee on motor vehicles rather than using a tax rate as prior years.

Source: Salt Lake County Auditor's Office

SANDY CITY
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

(Per \$1 of Assessed Property Value the Following Rates Apply):

FISCAL YEAR	SANDY CITY	SALT LAKE COUNTY (NOTE 1)	JORDAN SCHOOL DISTRICT	SALT LAKE COUNTY LIBRARY	SPECIAL DISTRICTS (NOTE 2)	TOTAL	TOTAL TAX RATE RANGE (NOTE 3)	
							LOW	HIGH
1994	.002225	.004436	.009706	.000780	.001969	.019116	.017878	.020222
1995	.002252	.004386	.009667	.000778	.002003	.019086	.017849	.020159
1996	.001788	.003831	.007262	.000669	.001645	.015195	.014194	.015861
1997	.001758	.003782	.006392	.000647	.001573	.014152	.013210	.014424
1998	.001592	.003551	.006504	.000608	.001539	.013788	.012917	.014041
1999	.001606	.002805	.006561	.000607	.001267	.012846	.012247	.013107
2000	.001615	.003246	.007582	.000625	.001258	.014326	.013738	.014590
2001	.001788	.002904	.008845	.000583	.001260	.015380	.014761	.015601
2002	.001960	.003025	.008424	.000764	.001390	.015563	.014801	.015822
2003	.001895	.002939	.008344	.000744	.001501	.015423	.014534	.015669

Notes:

- (1) Includes General Salt Lake County Charges.
- (2) Includes South Salt Lake County Mosquito District, Salt Lake County Water District, Sandy Suburban Improvement District, and Central Utah Water District. Although other special districts apply to only a portion of the City, these districts apply to the majority of property values within the City.
- (3) Since special districts apply to only a portion of the City, these columns show the total tax rate range. The other special districts not included in Note 2 are Salt Lake Suburban District #2, Cottonwood Sanitary District, Salt Lake County Sewerage District #1, Crescent Cemetery District, and Alta Canyon Recreation Special Service District.

Source: Salt Lake County Auditor

SANDY CITY
TOP TEN PRINCIPAL PROPERTY TAXPAYERS
June 30, 2003

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>2002 ASSESSED PROPERTY VALUATION</u>	<u>PERCENT OF TOTAL ASSESSED VALUATION</u>
Macerich Co.	Real Estate Investment Trust	\$ 107,265,500 (2)	2.56%
Lawrence & Karen Miller	Auto Mall/Business Complex	90,261,250 (2)	2.15%
Qwest Communications	Telephone Communications	38,223,141 (1)	0.91%
Pacificorp	Electric Utility	30,743,645 (1)	0.73%
The Boyer Company	Commercial & Office Development	27,634,700 (2)	0.66%
Magna Investment	Commercial & Office Development	24,996,600 (2)	0.60%
Workers Compensation Fund	Real Estate Investment Trust	19,829,100 (2)	0.47%
Mariemont Corp.	Sandy Mall	18,389,400 (2)	0.44%
Smith Food King	Grocery Retail Chain	17,298,000 (2)	0.41%
Security Capital Pacfic	Apartment Complex	<u>16,853,245 (2)</u>	0.40%
Total		<u><u>\$ 391,494,581</u></u>	9.34%

Notes:

(1) Source: Utah State Tax Commission.

(2) Source: Salt Lake County Assessment Records.

SANDY CITY
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>SPECIAL ASSESSMENTS BILLINGS</u>	<u>SPECIAL ASSESSMENTS COLLECTED (1)</u>	<u>RATIO OF COLLECTIONS TO AMOUNT DUE</u>	<u>TOTAL OUTSTANDING ASSESSMENTS</u>
1994	\$ 344,717	\$ 488,609	141.74%	\$ 3,262,480
1995	272,556	236,537	86.78%	3,044,216
1996	261,639	419,707	160.41%	2,597,204
1997	278,934	350,992	125.83%	2,410,000
1998	248,249	248,249	100.00%	2,310,000
1999	207,388	207,388	100.00%	2,205,000
2000	244,618	244,618	100.00%	2,095,000
2001	247,139	247,139	100.00%	1,975,000
2002	250,879	250,879	100.00%	1,850,000
2003 (2)	-0-	-0-	0.00%	7,094,000

Notes:

- (1) Includes prepayments.
- (2) Original Bond was refunded with cash flow savings taken in the first and second year of refunding. Sufficient reserves existed to service debt. As such, no assessment was required as of year end. Additionally, two new SIDs were created with a payment date of December 15, 2003.

Source: Sandy City Department of Finance

SANDY CITY
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2003

Assessed Valuation:	
Primary Residential	\$ 2,738,935,485
All Other	<u>1,455,037,602</u>
Total Assessed Valuation	<u>\$ 4,193,973,087</u>
Reasonable Fair Cash Value	<u>\$ 6,446,408,328</u>

	GENERAL - 4%	WATER AND SEWER - 4%	TOTAL - 8%
Debt Limit - 8% of Reasonable Fair Cash Value (1)	\$ 257,856,333	\$ 257,856,333	\$ 515,712,666
Less Outstanding General Obligation Bonds	<u>5,255,000</u>	<u>-0-</u>	<u>5,255,000</u>
Debt Margin	<u>\$ 252,601,333</u>	<u>\$ 257,856,333</u>	<u>\$ 510,457,666</u>

Notes:

- (1) The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.

Source: Salt Lake County Auditor's Office

SANDY CITY**RATIO OF NET GENERAL OBLIGATION DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA****LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION	ASSESSED VALUE	GROSS BONDED DEBT (1)	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1994	86,371	\$ 1,770,523,596	\$ 8,555,000	\$ 8,555,000	0.48 %	\$99
1995	90,520	1,965,774,867	7,815,000	7,815,000	0.40	86
1996	95,509	2,637,587,808	8,095,000	8,095,000	0.31	85
1997	96,678	2,889,456,769	7,755,000	7,755,000	0.27	80
1998	99,761	3,256,316,583	7,395,000	7,395,000	0.23	74
1999	100,822	3,409,092,299	7,015,000	7,015,000	0.21	70
2000	102,033	3,585,929,560	6,615,000	6,615,000	0.18	65
2001	88,419	3,802,131,432	6,190,000	6,190,000	0.16	70
2002	89,745	4,037,679,082	5,735,000	5,735,000	0.14	64
2003	93,500	4,193,973,087	5,255,000	5,255,000	0.13	56

Notes:

(1) Includes All Long-Term General Obligation Debt.

Sources: Sandy City Community Development Department
Sandy City Department of Finance

SANDY CITY
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES(1)</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1994	\$ -0-	\$ 502,477	\$ 502,477	\$ 22,003,173	2.3%
1995	250,000	496,228	746,228	30,671,914	2.4%
1996	385,000	321,606	706,606	31,785,005	2.2%
1997	340,000	408,730	748,730	34,924,864	2.1%
1998	360,000	390,660	750,660	42,469,230	1.8%
1999	380,000	371,048	751,048	43,094,295	1.7%
2000	400,000	349,844	749,844	50,141,105	1.5%
2001	425,000	326,863	751,863	42,707,426	1.8%
2002	455,000	301,808	756,808	49,735,285	1.5%
2003	480,000	277,800	757,800	66,341,647	1.1%

Notes:

This schedule includes only debt service for general obligation bonded debt to be paid by general operations of the City rather than from special assessment or enterprise operations.

(1) Includes General, Special Revenue, Capital Projects, and Debt Service Funds.

Source: Sandy City Department of Finance

SANDY CITY
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
June 30, 2003

	TOTAL DEBT	ATTRIBUTABLE TO CITY	
		PERCENT	AMOUNT
Direct General Obligation Debt	<u>\$ 5,255,000</u>	100.0 %	<u>\$ 5,255,000</u>
Overlapping Debt:			
State of Utah	1,511,870,000	3.7	55,939,190
CUWCD (1)	58,845,160	6.2	3,648,400
Salt Lake County	130,230,000	9.0	11,720,700
Jordan School District	184,910,000	26.0	48,076,600
Salt Lake County Sewerage District #1	1,250,000	25.0	312,500
Sandy Suburban Improvement District	<u>7,750,000</u>	40.0	<u>3,100,000</u>
Total Overlapping Debt	<u>1,894,855,160</u>		<u>122,797,390</u>
 Total Overlapping Debt (Excluding the State)(2)	 <u>382,985,160</u>		 <u>66,858,200</u>
 Total Direct and Overlapping Debt (Excluding the State)	 <u><u>\$ 388,240,160</u></u>		 <u><u>\$ 72,113,200</u></u>

Notes:

- (1) Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the State issued under the Water Conservancy Act. By law CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.
- (2) The State's general obligation debt is not included in overlapping debt because the State levies no property tax for payment of general obligation bonds.

Source: Zions Bank Public Finance

SANDY CITY
WATER REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

FISCAL YEAR	GROSS REVENUE	DIRECT OPERATING EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
1994	\$ 7,024,041	\$ 4,193,909	\$ 2,830,132	\$ 495,000 (1)	\$ 891,604	\$ 1,386,604	2.04
1995	7,313,152	4,542,086	2,771,066	525,000	729,063	1,254,063	2.21
1996	8,235,233	5,290,340	2,944,893	560,000	696,008	1,256,008	2.34
1997	8,657,826	5,958,061	2,699,765	700,000	657,788	1,357,788	1.99
1998	8,835,057	5,688,787	3,146,270	745,000	613,813	1,358,813	2.32
1999	9,018,911	5,816,145	3,202,766	790,000	610,040	1,400,040	2.24
2000	10,311,370	6,538,517	3,772,853	845,000	513,969	1,358,969	2.73
2001	11,330,559	6,240,341	5,090,218	705,000	457,423	1,162,423	4.38
2002	13,412,729	6,969,192	6,443,537	750,000	415,638	1,165,638	5.53
2003	14,935,903	10,172,883	4,763,020	785,000	377,637	1,162,637	4.10

Notes:

- (1) The total reduction in long term debt is \$8,055,000, of which \$7,560,000 represents defeasance of debt from bond refunding and \$495,000 represents reduction in bond principal.

Source: Sandy City Department of Finance

SANDY CITY
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>PER CAPITA INCOME</u>	<u># OF SQUARE MILES (1)</u>	<u>SUBDIVISION LOTS APPROVED (1)</u>	<u>UNEMPLOYMENT RATE (3)</u>
1994	86,371	N/A	21.0	464	2.6%
1995	90,520	N/A	21.9	362	2.5%
1996	95,509	N/A	21.9	221	2.5%
1997	96,678	N/A	22.6	238	2.4%
1998	99,761	N/A	22.7	210	3.1%
1999	100,822	N/A	22.8	207	2.6%
2000	102,033	N/A	22.8	281	2.1%
2001	88,419 (2)	N/A	22.8	195	2.4%
2002	89,745	N/A	22.8	174	4.3%
2003	93,500	N/A	22.8	185	4.5%

Notes:

(1) Source: Sandy City Community Development Department

(2) Source: U.S. Census

(3) Source: Utah Department of Employment Security

SANDY CITY
CONSTRUCTION AND PROPERTY VALUE (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		PROPERTY VALUE	
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	NON-RESIDENTIAL	RESIDENTIAL
1994	39	\$ 29,841,037	545	\$ 54,898,103	\$ 532,409,798	\$ 1,883,518,580
1995	31	24,664,985	328	49,477,050	596,895,641	2,011,147,890
1996	39	40,990,801	316	42,828,770	715,248,480	3,441,885,050
1997	56	42,383,725	245	39,477,104	831,509,366	3,717,004,330
1998	62	126,652,157	279	72,265,056	979,312,004	4,163,433,680
1999	50	55,612,246	148	25,598,853	1,075,759,337	4,241,538,670
2000	41	65,762,470	151	29,142,513	1,140,722,766	4,400,759,350
2001	38	36,343,275	189	33,398,077	1,311,494,588	4,574,333,790
2002	33	34,767,969	156	30,029,877	1,479,002,806	4,682,251,800
2003	36	37,510,739	158	30,753,131	1,466,525,628	4,979,882,700

Notes:

- (1) Bank deposit amounts are not shown on this schedule since Utah is a branch banking state, and deposit figures are currently available on a state wide basis only.
- (2) The State of Utah replaced the property tax on motor vehicles with a fee in lieu of taxes in 1993

Sources: Building permits issued by the Sandy City Building and Safety Division.

Sandy City Department of Finance

SANDY CITY
MISCELLANEOUS STATISTICS
JUNE 30, 2003

Date of Incorporation	1893
Form of Government	Council-Mayor
Area - Square Miles	22.8
Miles of Streets	291
Fire Protection:	
Number of Stations	5
Number of Firemen and Officers (excluding Volunteer Firemen)	77
Police Protection:	
Number of Stations	5
Number of Policemen and Officers	110
Municipal Water Department:	
Number of Consumers	28,444
Average Daily Consumption - Gallons	23,033,589
Miles of Water Mains	452
Recreation and Culture:	
Number of Parks (Including County Owned)	
Developed	30
Undeveloped	6
Number of Libraries (County Owned)	1
Employees:	766
Election Data:	
Registered Voters	59,988